UNITED NATIONS

Framework Convention on Climate Change

Distr.
GENERAL

FCCC/CP/2001/INF.5
19 October 2001

ENGLISH ONLY

CONFERENCE OF THE PARTIES
Seventh session
Marrakesh, 29 October - 9 November 2001
Item 3 (b) (i) of the provisional agenda

IMPLEMENTATION OF THE BUENOS AIRES PLAN OF ACTION: ADOPTION OF THE DECISIONS GIVING EFFECT TO THE BONN AGREEMENTS

DRAFT DECISIONS FORWARDED FOR ELABORATION, COMPLETION AND ADOPTION

NATIONAL SYSTEMS, ADJUSTMENTS AND GUIDELINES UNDER ARTICLES 5, 7 AND 8 OF THE KYOTO PROTOCOL

Report on the workshop on issues related to Articles 5, 7 and 8 of the Kyoto Protocol

Note by the Chairman of the Subsidiary Body for Scientific and Technological Advice

CONTENTS

		Paragraphs	Page
I.	INTRODUCTION	1 - 2	3
	A. Mandate	1	3
	B. Scope of the note	2	3
II.	PROCEEDINGS	3 - 8	3

Annex

Draft decision - CP.7. Guidelines for national systems under Article 5, paragraph 1, of the Kyoto Protocol 5

Page

Draft decision -/CMP.1. Guidelines for national systems under Article 5, paragraph 1, of the Kyoto Protocol 6

Draft decision -/CP.7. Good practice guidance and adjustments under Article 5, paragraph 2, of the Kyoto Protocol..... 7

Draft decision -/CMP.1. Good practice guidance and adjustments under Article 5, paragraph 2, of the Kyoto Protocol..... 8

Draft decision -/CP.7. Guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol 12

Draft decision -/CMP.1. Guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol..... 13

Annex I
Draft guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol..... 16

Annex II
Modalities for the accounting of assigned amounts under Article 7, paragraph 4, of the Kyoto Protocol..... 26

Draft decision -/CP.7. Guidelines for review under Article 8 of the Kyoto Protocol..... 37

Draft decision -/CMP.1. Guidelines for review under Article 8 of the Kyoto Protocol..... 37

Annex
Draft guidelines for review under Article 8 of the Kyoto Protocol 39

I. INTRODUCTION

A. Mandate

1. The Conference of the Parties (COP) at the second part of its sixth session requested the secretariat to organise a workshop of governmental experts on issues related to Articles 5, 7 and 8 of the Kyoto Protocol prior to the seventh session of the COP, under the chairmanship of Mr. Harald Dovland, the Chairman of the Subsidiary Body for Scientific and Technological Advice (FCCC/CP/2001/5, paragraph 69).

B. Scope of the note

2. The purpose of this note is to report on the results of the workshop mentioned in paragraph 1 above. This note contains revised decision and guidelines text for Articles 5, 7 and 8 of the Kyoto Protocol, which were prepared based on the discussions of the workshop.

II. PROCEEDINGS

3. The workshop took place from 4 to 6 October 2001 in Bonn, Germany and was chaired by Mr. Harald Dovland, Chairman of the Subsidiary Body for Scientific and Technological Advice (SBSTA). Seventy three governmental experts nominated by 26 Parties included in Annex I to the Convention and 24 Parties not included in Annex I to the Convention attended the workshop.[1] In addition, one expert from the Intergovernmental Panel on Climate Change and three experts from non-governmental organisations participated at the workshop.

4. The participants of the workshop had in front of them:

(a) The report of the first part of the sixth session of the COP (FCCC/CP/2000/5/Add.3 (Vol. III));

(b) The Consolidated Negotiating Text (CNT) on Articles 5, 7 and 8 of the Kyoto Protocol (FCCC/CP/2001/2/Add.4) that was proposed by the President of the COP at its sixth session and identified as a useful tool for negotiations during the second part of the sixth session of the COP; and

(c) A working paper prepared by the secretariat. This paper was derived from the CNT on Articles 5, 7 and 8 of the Kyoto Protocol. It incorporated changes based on decisions taken by the COP at the second part of its sixth session, namely decisions which were completed and consensus reached and were forwarded for adoption by the COP at its seventh session and decisions on which progress was noted and which were forwarded for completion and adoption by the COP at its seventh session (FCCC/CP/2001/5 and Add.1 and Add.2). The part of the CNT on Articles 5, 7 and 8 of the Kyoto Protocol dealing with modalities for accounting assigned amounts under Article 7, paragraph 4, of the Kyoto Protocol was not modified prior to the workshop.

5. The participants used the working paper prepared by the secretariat as the basis for their discussions. The decision texts and guidelines on Articles 5, 7 and 8 of the Kyoto Protocol were

---

[1] The list of participants can be found on the UNFCCC web site (http://www.unfccc.int/sessions/workshops.html).

discussed in detail, except for the guidelines for national systems under Article 5, paragraph 1, of the Kyoto Protocol [2] and the modalities for accounting assigned amounts under Article 7, paragraph 4, of the Kyoto Protocol. [3]

6. The workshop advanced the work on Articles 5, 7 and 8 of the Kyoto Protocol, in preparation for the seventh session of the Conference of the Parties. It contributed to ensuring that decisions relating to these Articles are formulated in a manner consistent with other decisions forwarded by the Conference of the Parties at the second part of its sixth session for adoption or completion at its seventh session.

7. Although, broad agreement was achieved on the decision texts and guidelines, a number of issues remain to be resolved during the seventh session of the COP. The chairman requested the secretariat to prepare a revised text, reflecting different positions, and publish it on its web site prior to the start of the seventh session of the COP. This text is included in the annex to this report.[4]

8. To facilitate the discussions of the modalities for the accounting of assigned amounts under Article 7, paragraph 4, of the Kyoto Protocol, the secretariat made a presentation on issues relating to assigned amount, registry requirements and the compilation and accounting of emission inventories and assigned amounts. During the last day of the workshop, the participants exchanged views on these issues. In addition, the secretariat, under the instruction of the chairman, presented a proposal for the composition and the responsibilities of a standing group of review experts under Article 8 of the Kyoto Protocol. [5]

---

[2] The guidelines for national systems under Article 5, paragraph 1, of the Kyoto Protocol were agreed upon by the SBSTA at its twelfth session (FCCC/SBSTA/2000/5, annex I) and were forwarded to the COP for adoption.

[3] The modalities for accounting assigned amounts under Article 7, paragraph 4, of the Kyoto Protocol will be considered further during the seventh session of the COP by representatives from the group on Articles 5, 7 and 8 together with representatives from the mechanisms group.

[4] To allow Parties to be fully aware of the progress made and the issues to be resolved, the text is marked with brackets.

[5] Both presentations can be found on the UNFCCC web site (http://www.unfccc.int/sessions/workshops.html).

Annex

Draft decision -/CP.7[1]

Guidelines for national systems under Article 5, paragraph 1, of the Kyoto Protocol

The Conference of the Parties,

Recalling its decisions 1/CP.3, 1/CP.4, 8/CP.4 and 5/CP.6,

Noting Article 5, paragraph 1, of the Kyoto Protocol to the United Nations Framework Convention on Climate Change,

Having considered the conclusions of the Subsidiary Body for Scientific and Technological Advice at its twelfth and resumed thirteenth sessions,[2]

1. *Recommends* that the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, at its first session, adopt the attached draft decision;

2. *Encourages* Parties included in Annex I to implement the recommended guidelines for national systems under Article 5, paragraph 1, of the Kyoto Protocol as soon as possible with the aim of gaining experience with their implementation;

3. *Urges* Parties included in Annex II to the Convention to assist Parties included in Annex I with economies in transition, through appropriate bilateral or multilateral channels, with the implementation of the guidelines for national systems under Article 5, paragraph 1, of the Kyoto Protocol.

---

[1] The guidelines for national systems under Article 5, paragraph 1, were agreed upon by the SBSTA at its twelfth session and were forwarded to the COP for adoption.

[2] FCCC/SBSTA/2000/5 and FCCC/SBSTA/2000/14.

Draft decision -/CMP.1[3]

Guidelines for national systems under Article 5, paragraph 1, of the Kyoto Protocol

The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,

Recalling Article 5, paragraph 1, of the Kyoto Protocol to the United Nations Framework Convention on Climate Change, in particular its provision that each Party included in Annex I shall have in place, no later than one year prior to the start of the first commitment period, a national system for the estimation of anthropogenic emissions by sources and removals by sinks of all greenhouse gases not controlled by the Montreal Protocol,

Recognizing the importance of such national systems for the implementation of other provisions of the Kyoto Protocol,

Having considered decision -/CP.7, adopted by the Conference of the Parties at its seventh session,

1. *Adopts* the guidelines for national systems under Article 5, paragraph 1, of the Kyoto Protocol;[4]

2. *Urges* Parties included in Annex I to implement the guidelines as soon as possible.

---

[3] The guidelines for national systems under Article 5, paragraph 1, were agreed upon by the SBSTA at its twelfth session and were forwarded to the COP for adoption.

[4] FCCC/SBSTA/2000/5, annex I.

Draft decision -/CP.7

Good practice guidance and adjustments under Article 5, paragraph 2, of the Kyoto Protocol

The Conference of the Parties,

Noting Article 5, paragraph 2, of the Kyoto Protocol to the United Nations Framework Convention on Climate Change,

Recalling its decisions 1/CP.3, 2/CP.3, 1/CP.4, 8/CP.4 and 5/CP.6,

Recognizing the essential role of high quality greenhouse gas inventories under the Convention and the Kyoto Protocol,

Recognizing the need for confidence in estimates of anthropogenic emissions and anthropogenic removals[5] for the purpose of ascertaining compliance with commitments under Article 3 of the Kyoto Protocol,

Acknowledging the importance of ensuring that anthropogenic emissions are not underestimated and that anthropogenic removals by sinks and anthropogenic base year emissions are not overestimated,

Having considered the relevant conclusions and recommendations of the Subsidiary Body for Scientific and Technological Advice,[6]

1. *Recommends* that the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, at its first session, adopt the attached draft decision;

2. *Requests* the secretariat to organize a workshop prior to, and one or possibly more workshops after, the sixteenth session of the Subsidiary Body for Scientific and Technological Advice on methodologies for adjustments under Article 5, paragraph 2, of the Kyoto Protocol with the participation of greenhouse gas inventory experts and other experts nominated to the UNFCCC roster of experts and experts involved in the preparation of the Intergovernmental Panel on Climate Change report entitled *Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories*. The purpose of the first workshop would be to elaborate draft technical guidance on methodologies for adjustments under Article 5, paragraph 2, building upon submissions by Parties contained in documents FCCC/SBSTA/2000/MISC.1 and Add.1, FCCC/SBSTA/2000/MISC.7 and Add.1-2 as well as FCCC/TP/2000/1, for consideration by the Subsidiary Body for Scientific and Technological Advice at its sixteenth session. At that session, the Subsidiary Body for Scientific and Technological Advice should define more precisely the scope of the second workshop;[7]

---

[5] In this decision, estimates of anthropogenic emissions by sources and removals by sinks of all greenhouse gases not controlled by the Montreal Protocol are referred to as anthropogenic emissions and anthropogenic removals respectively, for the sake of brevity.

[6] FCCC/SBSTA/1999/14, paragraph 51 (i); FCCC/SBSTA/2000/5, paragraph 40 (b).

[7] The organization of the workshops is subject to availability of funds.

3. *Requests* the Subsidiary Body for Scientific and Technological Advice to complete technical guidance on methodologies for adjustments under Article 5, paragraph 2, of the Kyoto Protocol, building upon the attached draft decision and the outcome of the process described in paragraph 2 above, for consideration by the Conference of the Parties at its ninth session, with a view to recommending, at that session, such technical guidance for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its first session;

4. *Decides* to develop technical guidance on methodologies for adjustments under Article 5, paragraph 2, of the Kyoto Protocol for estimates of anthropogenic emissions and removals from land use, land-use change and forestry, in light of the decision -/CP.7 (land use, land-use change and forestry) immediately after completion of the work of the Intergovernmental Panel on Climate Change on good practice guidance on land use, land-use change and forestry, with a view to recommending a decision on adjustments, at its tenth session, for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its subsequent session.

Draft decision -/CMP.1

Good practice guidance and adjustments under Article 5, paragraph 2, of the Kyoto Protocol

The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,

Recalling Article 5, paragraph 2, of the Kyoto Protocol to the United Nations Framework Convention on Climate Change,

Further recalling decisions 1/CP.3, 2/CP.3, 1/CP.4, 8/CP.4 and 5/CP.6 of the Conference of the Parties,

Having considered decision -/CP.7 adopted by the Conference of the Parties at its seventh session,

1. *Endorses* the Intergovernmental Panel on Climate Change (IPCC) report entitled *Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories*, as accepted by the sixteenth session of the IPCC held in Montreal, Canada, 1 to 8 May 2000 (hereinafter referred to as the IPCC good practice guidance), as an elaboration of the *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories*;

2. *Decides* that the good practice guidance referred to in paragraph 1 shall be used by Parties included in Annex I in their preparation of national greenhouse gas inventories under the Kyoto Protocol;

3. *Decides* that adjustments referred to in Article 5, paragraph 2, of the Kyoto Protocol shall be applied only when inventory data submitted by Parties included in Annex I are found to be incomplete and/or are prepared in a way that is not consistent with the

Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories as elaborated by the IPCC good practice guidance and any good practice guidance adopted by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;

4. *Decides* that the calculation of adjustments shall commence only after a Party included in Annex I has been provided with opportunities to correct any deficiencies in accordance with the time-frame and procedures set forth in the guidelines for inventory review under Article 8;

5. *Decides* that the adjustment procedure shall result in estimates that are conservative for the Party concerned so as to ensure that anthropogenic emissions are not underestimated and anthropogenic removals by sinks and anthropogenic base year emissions are not overestimated;

6. *Emphasizes* that adjustments are intended to provide an incentive for Parties included in Annex I to provide complete and accurate annual greenhouse gas inventories prepared in accordance with the *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories* as elaborated by the IPCC good practice guidance and any good practice guidance adopted by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol. Adjustments are intended to correct inventory problems for the purpose of accounting emissions inventories and assigned amounts of the Parties included in Annex I. Adjustments are not intended to substitute for the obligation of a Party included in Annex I to estimate and report greenhouse gas inventories in accordance with the *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories* as elaborated by the IPCC good practice guidance and any good practice guidance adopted by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;

7. *Decides* that adjusted estimates shall be calculated in accordance with the technical guidance on methodologies for adjustments contained in the annex to this decision. Such technical guidance shall ensure consistency and comparability and that similar methods are used for similar problems as far as possible across all inventories reviewed under Article 8;

8. *Decides* that any adjustments applied to the base year inventory estimates of a Party included in Annex I shall be used in the calculation of the Party's assigned amount pursuant to Article 3, paragraphs 7 and 8, in accordance with the modalities for the accounting of assigned amount under Article 7, paragraph 4, and shall not be replaced by a revised estimate subsequent to the establishment of the Party's assigned amount pursuant to Article 3, paragraphs 7 and 8;

9. *Decides* that any adjustments applied to the inventory for a year of the commitment period of the Party included in Annex I shall be used in the annual compilation and accounting of emission inventories and assigned amounts;

10. *Decides* that in the event of a disagreement between the Party included in Annex I and the expert review team regarding the adjustment, the issue will be forwarded to [the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and] the Compliance Committee;

11. *Decides* that a Party included in Annex I may submit a revised estimate for a part of its inventory of a year of the commitment period to which an adjustment was previously applied, provided that the revised estimate is submitted, at the latest, in conjunction with the inventory for the year 2012. Subject to a review under Article 8 and the acceptance of the revised estimate by the expert review team, the revised estimate shall replace the adjusted estimate. In the event of a disagreement between the Party included in Annex I and the expert review team regarding the revised estimate, the issue will be forwarded to [the COP/MOP and] the Compliance Committee, which will resolve the disagreement in accordance with the procedures and mechanisms on compliance. The option for a Party included in Annex I to submit a revised estimate for a part of its inventory to which an adjustment was previously applied should not prevent Parties included in Annex I from making best efforts to correct the problem at the time it was initially identified and in accordance with the time-frame set forth in the guidelines for review under Article 8.

ANNEX

(to be elaborated in accordance with decision -/CP.7, paragraph 3)

Draft decision -/CP.7

Guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol

The Conference of the Parties,

Recalling its decisions 1/CP.3, 1/CP.4, 8/CP.4, 3/CP.5, 4/CP.5 and 5/CP.6,

Noting the relevant provisions of the Kyoto Protocol to the United Nations Framework Convention on Climate Change, in particular its Article 7,

Having considered the relevant recommendations of the Subsidiary Body for Scientific and Technological Advice,[8]

Recognizing the role of information submitted under the Kyoto Protocol pursuant to Article 7, in demonstrating the progress of Parties included in Annex I by 2005 towards meeting their commitments under the Protocol in accordance with their national circumstances,

1. *Recommends* that the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, at its first session, adopt the attached draft decision;

2. *Requests* the Subsidiary Body for Scientific and Technological Advice to develop criteria for cases of failure to submit information related to estimates of greenhouse gas emissions by sources and removal by sinks from activities under Article 3, paragraphs 3 and 4, including, *inter alia*, the reporting of those emissions and removals, similar to those described in paragraph 9 of the attached draft decision, after the work on good practice for land use, land-use change and forestry, with a view to recommending a decision on this matter as soon as practicable thereafter, for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its subsequent session;

3. *Urges* each Party included in Annex I that is also a Party to the Kyoto Protocol to submit, by 1 January 2006, a report to provide the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol with the basis for reviewing the demonstration of progress by 2005, in accordance with Article 3, paragraph 2, of the Kyoto Protocol. The report shall include:

(a) A description of domestic measures, including any legal and institutional steps to prepare to implement its commitments under the Kyoto Protocol to mitigate greenhouse gas emissions, and any of its programmes for domestic compliance and enforcement;

(b) Trends in, and projections of, its greenhouse gas emissions;

(c) An evaluation of how such domestic measures, in light of these trends and projections, will contribute to the Party's meeting its commitments under Article 3;

---

[8] FCCC/SBSTA/2000/5 and FCCC/SBSTA/2000/14.

(d) A description of the activities, actions and programmes undertaken by the Party in fulfilment of its commitments under Articles 10 and 11;

4. *Requests* the Subsidiary Body for Scientific and Technological Advice, at its sixteenth session, to consider how this information should be presented and evaluated taking into account document FCCC/CP/2001/MISC.2 and other relevant submissions by Parties with a view to recommending a decision on this matter for adoption by the Conference of the Parties at its eighth session.

5. *Requests* the secretariat to facilitate the development of technical standards for the purpose of ensuring the accurate, transparent and efficient exchange of data between national registries, the clean development mechanism registry and the independent transaction log, based on the attached decision, for consideration by the Subsidiary Body for Scientific and Technological Advice at its sixteenth session to allow the early development of national registries, with a view to recommending to the Conference of the Parties, at its eighth session, a decision on this matter, for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its subsequent session.

Draft decision -/CMP.1

Guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol

The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,

Recalling Article 7 of the Kyoto Protocol to the United Nations Framework Convention on Climate Change,

Having considered decision -/CP.7, adopted by the Conference of the Parties at its seventh session,

Recognizing the importance of transparent reporting for facilitating the review process under Article 8 of the Kyoto Protocol,

1. *Adopts* the guidelines for the preparation of information under Article 7 of the Kyoto Protocol as contained in annex I to this decision;

2. *Adopts* the modalities for the accounting of assigned amounts under Article 7, paragraph 4 of the Kyoto Protocol as contained in annex II to this decision;

3. *Decides* that each Party included in Annex I shall submit to the secretariat, prior to 1 January 2007 or one year after the entry into force of the Kyoto Protocol for that Party, whichever is later, the report referred to in paragraph 2 of the modalities for the accounting of assigned amounts under Article 7, paragraph 4, of the Kyoto Protocol as contained in annex II to this decision, to enable the establishment of assigned amounts pursuant to Article 3, paragraphs 7 and 8. [After review of the information provided under Article 8 and resolution of any related questions of implementation, the Parties' assigned amount pursuant to Article 3, paragraphs 7

and 8, for that Party shall be established for the commitment period and shall not be subsequently revised];

4. *Decides* that each Party included in Annex I, bearing in mind Article 7, paragraph 3, of the Kyoto Protocol and the needs of the review under Article 8 of the Kyoto Protocol, shall start reporting the information under Article 7, paragraph 1, of the Kyoto Protocol with the inventory submission due under the Convention for the first year of the commitment period after the Protocol has entered into force for that Party, but may start reporting this information from the year following the submission of the information referred to in paragraph 3 above on a voluntary basis;

5. *[Requests* the secretariat to start the annual compilation and accounting of emission inventories and assigned amounts for each Party included in Annex I after its first individual inventory and assigned amount reviews are complete and after resolution of any questions of implementation related to its inventory and assigned amount and forward it to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, the Compliance Committee and the Party concerned;] [*Requests* the secretariat to start the annual compilation and accounting of emission inventories and assigned amounts for each Party included in Annex I in the year that the Party commences reporting under Article 7, paragraph 1 and forward it to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, the Compliance Committee and the Party concerned. However emission inventories for the purpose of compliance with commitments under Article 3 shall not be compiled until the inventory for the first year of the commitment period is available;]

6. *Decides* that each Party included in Annex I shall submit to the secretariat upon expiration of the additional period for fulfilling commitments, the report referred to in paragraph 36 of the modalities for the accounting of assigned amounts under Article 7, paragraph 4, of the Kyoto Protocol as contained in annex II to this decision;

7. *Requests* the secretariat to publish a single report on the final compilation and accounting of emission inventories and accounting of assigned amounts after the end of the additional period for fulfilling commitments for each Party included in Annex I and forward it to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, the Compliance Committee and the Party concerned;

8. *[Decides* that, without prejudice to other requirements adopted by the Conference of the Parties serving as the meeting of the Parties, a Party included in Annex I will be considered to be in non-compliance with the requirements under Article 7, paragraph 1 upon determination by the Compliance Committee that:] [*Decides* that a Party included in Annex I shall fail to meet the methodological and reporting requirements under Article 7, paragraph 1, for the purpose of the eligibility requirements under paragraph 18 of the guidelines adopted under decision -/CP.7 (Article 6), paragraph 30 of the guidelines adopted under decision -/CP.7 (Article 12) and paragraph 2 of the guidelines adopted under decision -/CP.7 (Article 17) if:]

(a) The Party concerned has failed to submit an annual inventory [of emissions from sources listed in Annex A of the Kyoto Protocol], including the national inventory report and the common reporting format within six weeks of the submission due-date; or

(b) The Party concerned has failed to include an estimate for an Annex A source category (as defined in chapter 7 of the Intergovernmental Panel on Climate Change *Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories*, hereinafter referred to as the IPCC good practice guidance) that individually accounted for [7] per cent or more of the Party's aggregate emissions, defined as aggregate submitted emissions of the gases and from the sources listed in Annex A to the Kyoto Protocol, in the most recent of the Party's reviewed inventories in which the source was estimated;

(c) For any single year, the aggregate adjusted greenhouse gas emissions for the Party concerned exceed the aggregate submitted emissions, defined as aggregate submitted emissions of the gases and from the sources listed in Annex A to the Kyoto Protocol by more than [7] per cent;*

(d) At any time during the commitment period the sum of the numerical values of the percentages calculated according to subparagraph (c) above for all years of the commitment period for which the review has been conducted exceeds [20];

(e) [An adjustment for the same key source category (as defined in chapter 7 of the IPCC good practice guidance) of the Party concerned was calculated during the inventory review in three subsequent years, unless the Party has requested the provision of advice and facilitation by the facilitative branch of the Compliance Committee in addressing this problem, prior to the beginning of the first commitment period, and such advice and facilitation is being provided.] [An adjustment for any key source category (as defined in chapter 7 of the IPCC good practice guidance) of the Party concerned that accounted for [5] per cent or more of the Party's aggregate emissions of the gases from the sources listed in Annex A was calculated during the inventory review in three subsequent years, unless the Party has requested assistance from the facilitative branch of the Compliance Committee in addressing this problem, prior to the beginning of the first commitment period, and the assistance is being provided.]

(f) [The Party concerned has failed to submit information under Article 3, paragraph 14, Articles 10 and 11 of the Kyoto Protocol.]

---

* This subparagraph will be reconsidered once the modalities for accounting emission inventories and assigned amounts have been discussed.

ANNEX I

Draft guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol[10]

I. REPORTING OF SUPPLEMENTARY INFORMATION UNDER ARTICLE 7, PARAGRAPH 1[11]

A. Applicability

1. The provisions of these guidelines shall apply for each Party included in Annex I which is also a Party to the Kyoto Protocol.

B. General approach

2. Each Party included in Annex I shall include the necessary supplementary information required by these guidelines, for the purpose of ensuring compliance with Article 3, in its annual inventory of anthropogenic emissions by sources and removals by sinks of greenhouse gases not controlled by the Montreal Protocol, prepared in accordance with Article 5, paragraph 2, and submitted in accordance with decisions of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP), taking into account any relevant decisions of the Conference of the Parties (COP). A Party included in Annex I need not separately submit an inventory under Article 12, paragraph 1(a) of the Convention.

C. Objectives

3. The objectives of these guidelines are:

(a) To enable Parties included in Annex I to meet their commitments for reporting information in accordance with Article 7, paragraph 1;

(b) To promote the reporting of consistent, transparent, comparable, accurate and complete information by Parties included in Annex I;

(c) To facilitate the preparation of the information to be submitted to the COP/MOP by Parties included in Annex I;

(d) To facilitate the review under Article 8 of inventories and supplementary information under Article 7, paragraph 1, from Parties included in Annex I.

D. Greenhouse gas inventory information

4. Each Party included in Annex I shall describe in its annual inventory any steps taken to improve estimates in areas that were previously adjusted.

---

[10] Note that additional reporting requirements are included in the modalities for the accounting of assigned amounts under Article 7, paragraph 4, of the Kyoto Protocol.

[11] "Article" in these guidelines refers to an Article of the Kyoto Protocol, unless otherwise specified.

5. Each Party included in Annex I shall include in its annual[12] greenhouse gas inventory information on anthropogenic greenhouse gas emissions by sources and removals by sinks from land use, land-use change and forestry activities under Article 3, paragraphs 3 and 4, in accordance with Article 5, paragraph 2, as elaborated by any good practice guidance in accordance with relevant decisions of the COP/MOP on land use, land-use change and forestry. Estimates for Article 3, paragraphs 3 and 4, shall be clearly distinguished from anthropogenic emissions from the sources listed in Annex A to the Kyoto Protocol. [In reporting the information requested above, each Party included in Annex I shall include the reporting requirements specified in paragraphs 6 to 8 below taking into consideration the selected forest definitions incorporated in its report to enable the establishment of its assigned amount pursuant to Article 3, paragraphs 7 and 8.[13]] [Each Party included in Annex I shall indicate whether the inventory information being submitted on land use, land-use change and forestry activities under Article 3, paragraphs 3 and 4, is for the purpose of accounting for assigned amount in accordance with the relevant modalities under Article 7, paragraph 4. Information that is being submitted for such a purpose may be reported annually or, at the latest, in conjunction with the inventory for the last year of the commitment period.]

6. General information to be reported for activities under Article 3, paragraphs 3 and 4, shall include:

(a) [Information on the areas of land subject to land use, land-use change and forestry activities under Article 3, paragraphs 3 and 4.][Information on the respective geographical location of areas of land subject to land use, land-use change and forestry activities under Article 3, paragraphs 3 and 4, and any changes on a year by year basis.] Additionally, each Party included in Annex I shall include in the GHG inventory of the last year of the commitment period, a list of all lands that were accounted for, specifying the date in which they were reported for the first time [as well as the geographical location];

(b) The spatial assessment unit used for determining the area of accounting for afforestation, reforestation and deforestation.

(c) [Anthropogenic greenhouse gas emissions by sources and removals by sinks of all units of land reported in the current and previous years, under paragraph 6 (a), above, since the beginning of the commitment period or the onset of the activity or the beginning of the commitment period, whichever comes later. In this latter case the date of the onset of the activity shall be also included;]

(d) Information on which, if any, of the following pools: above-ground biomass, below-ground biomass, litter, dead wood and/or soil organic carbon were not accounted for, together with verifiable information that demonstrates that these unaccounted pools were not a net source of anthropogenic greenhouse gas emissions;

---

[12] In accordance with the IPCC *Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories*, annual reporting of inventory information does not necessarily require annual data collection in all source categories and sectors. If a Party has not included in its annual GHG inventory any of the information requested, an explanation shall be provided indicating the reasons for the omission and when it plans to provide the information.

[13] The provisions of this paragraph as well as of paragraphs 6 to 8 below may be relevant for reporting information on projects under Article 6 aimed at enhancing anthropogenic removals by sinks.

7. Specific information to be reported for activities under Article 3, paragraph 3, shall include:

(a) [Information that demonstrates that reported activities under Article 3, paragraph 3, have occurred since 1990 and are human induced] [A demonstration that activities under Article 3, paragraph 3, began on or after 1 January 1990 and before 31 December of the last year of the commitment period, and are directly human-induced];

(b) Information on how harvesting or forest disturbance that is followed by the re-establishment of a forest is distinguished from deforestation.

8. Specific information to be reported for activities under Article 3, paragraph 4, shall include:

(a) A demonstration that activities under Article 3, paragraph 4, have occurred since 1 January 1990 and are human induced;

(b) [For Parties included in Annex I that elect to account for cropland management, grazing land management and/or revegetation[14], anthropogenic greenhouse gas emissions by sources and removals by sinks for each year of the commitment period and of the base year for each of the elected activities on each of the accounted units of land. The inclusion of this information is limited to the first commitment period];

(c) For Parties included in Annex I that elect to account for forest management[14]:

(i) [Information that demonstrates that the elected lands subject to accounting for forest management, were not accounted for under Article 3, paragraph 3;] [Information that demonstrates that emissions by sources and removals by sinks resulting from forest management are not accounted for under activities under Article 3, paragraph 3;]

(ii) [Information that indicates to what extent the anthropogenic greenhouse gas removal by sinks offsets the debit incurred under Article 3, paragraph 3, if any, in order to facilitate the application of the rule established in paragraph 10 of the annex to the draft decision -/CMP.1 (land use, land-use change and forestry). The inclusion of this information is limited to the first commitment period.]

E. Information on additions to and subtractions from assigned amounts

9. Each Party included in Annex I with a commitment inscribed in Annex B shall report, in a standard electronic format, the following information on emission reduction units (ERUs), certified emission reductions (CERs) and assigned amount units (AAUs)[15] from its national registry, for the previous calendar year (defined according to Greenwich Mean Time)

---

[14] The elected activities shall be the same as those identified in the Party's report to enable the establishment of its assigned amount pursuant to Article 3, paragraphs 7 and 8.

[15] For definitions see paragraph 10 of the modalities for the accounting of assigned amounts under Article 7, paragraph 4.

distinguishing between units valid for the current commitment period and those valid for the previous commitment period:

(a) Total ERUs, CERs and AAUs in each account at the beginning of the year;

(b) Total AAUs issued on the basis of assigned amount pursuant to Article 3, paragraphs 7 and 8;

(c) In relation to additions:

(i) Total ERUs, CERs and AAUs acquired from other registries and the identity of the transferring accounts and national registries;

(ii) Total AAUs issued on the basis of activities under Article 3, paragraphs 3 and 4;

(d) In relation to subtractions:

(i) Total ERUs, CERs and AAUs transferred to other registries and the identity of the acquiring accounts and national registries;

(ii) Total AAUs cancelled on the basis of activities under Article 3, paragraphs 3 and 4;

(iii) Total other ERUs, CERs and AAUs cancelled;

(e) Total ERUs, CERs and AAUs retired;

(f) Total ERUs, CERs and AAUs carried over from the previous commitment period;

(g) Total ERUs, CERs and AAUs in each account at the end of the year.

10. Each Party included in Annex I shall report a calculation of its commitment period reserve as the lower of 90 per cent of the Party's assigned amount calculated pursuant to Article 3, paragraphs 7 and 8, or 100 per cent of five times its most recently reviewed inventory, in accordance with decision 5/CP.6.

F. Changes in national systems in accordance with Article 5, paragraph 1

11. Each Party included in Annex I shall include in its national inventory report information on any changes that have occurred in its national system compared with information reported in its last submission, including information submitted in accordance with paragraphs 20 to 21 of these guidelines.

G. Changes in national registries

12. Each Party included in Annex I with a commitment inscribed in Annex B shall include in its national inventory report information on any changes that have occurred in its national registry, compared with information reported in its last submission, including information submitted in accordance with paragraph 22 of these guidelines.

H. Minimization of adverse impacts in accordance with Article 3, paragraph 14

13. Each Party included in Annex I is requested to provide information relating to how it is striving, under Article 3, paragraph 14, of the Kyoto Protocol, to implement its commitments mentioned in Article 3, paragraph 1 of the Kyoto Protocol in such a way as to minimize adverse social, environmental and economic impacts on developing country Parties, particularly those identified in Article 4, paragraphs 8 and 9, of the Convention.

14. Parties included in Annex II, and other Parties included in Annex I that are in a position to do so, are further requested to incorporate information on how they give priority, in implementing their commitments under Article 3, paragraph 14, to the following actions, based on relevant methodologies referred to in paragraph 11 of draft decision -/CMP.1 (*Matters relating to Article 3, paragraph 14 of the Kyoto Protocol*):

(a) The progressive phasing out of market imperfections, fiscal incentives, tax and duty exemptions and subsidies in all greenhouse gas emitting sectors, taking into account the need for energy price reforms to reflect market prices and externalities;

(b) Removing subsidies associated with the use of environmentally unsound and unsafe technologies;

(c) Cooperating in the technological development of non-energy uses of fossil fuels, and supporting developing country Parties to this end;

(d) Cooperating in the development, diffusion, and transfer of less greenhouse gas emitting advanced fossil-fuel technologies, and/or technologies relating to fossil fuels that capture and store greenhouse gases, and encouraging their wider use; and facilitating the participation of the least developed countries and other non-Annex I Parties in this effort;

(e) Strengthening the capacity of developing country Parties identified in Article 4.8 and 4.9 of the Convention for improving efficiency in upstream and downstream activities relating to fossil fuels, taking into consideration the need to improve the environmental efficiency of these activities; and

(f) Assisting developing country Parties which are highly dependent on the export and consumption of fossil fuels in diversifying their economies.

15. Where the information referred to in paragraphs 13 and 14 above has been provided in earlier submissions, the Party included in Annex I shall include information in its national inventory report on any changes that have occurred, compared with the information reported in its last submission.

16. The secretariat shall annually compile the supplementary information mentioned in paragraphs 13 and 14 above.

II. REPORTING OF SUPPLEMENTARY INFORMATION UNDER ARTICLE 7, PARAGRAPH 2

A. Applicability

17. The provisions of these guidelines shall apply for each Party included in Annex I which is also a Party to the Kyoto Protocol.

B. General approach

18. Each Party included in Annex I shall include the necessary supplementary information required under these guidelines to demonstrate compliance with its commitments under the Protocol in its national communication submitted under Article 12 of the Convention, with the time-frames for the obligations established by the Kyoto Protocol and with the relevant decisions of the COP and the COP/MOP.

C. Objectives

19. The objectives of these guidelines are:

(a) To enable Parties included in Annex I to meet their commitments for reporting information in accordance with Article 7, paragraph 2;

(b) To promote the reporting of consistent, transparent, comparable, accurate and complete information by Parties included in Annex I;

(c) To facilitate the preparation of the information to be submitted to the COP/MOP by Parties included in Annex I;

(d) To facilitate the review under Article 8 of national communications and of the supplementary information under Article 7, paragraph 2, from Parties included in Annex I.

D. National systems in accordance with Article 5, paragraph 1

20. Each Party included in Annex I shall provide a description of how it is performing the general and specific functions defined in the guidelines for national systems under Article 5, paragraph 1. The description shall contain the following elements:

(a) The name and contact information for the national entity and its designated representative with overall responsibility for the national inventory of the Party;

(b) The roles and responsibilities of various agencies and entities in relation to the inventory development process, as well as the institutional, legal and procedural arrangements made to prepare the inventory;

(c) A description of the process for collecting activity data, for selecting emission factors and methods, and for the development of emission estimates;

(d) A description of the process and the results of key source identification and, where relevant, archiving of test data;

(e) A description of the process for the recalculation of previously submitted inventory data;

(f) A description of the quality assurance and quality control plan, its implementation and the quality objectives established, and information on internal and external evaluation and review processes and their results in accordance with the guidelines for national systems;

(g) A description of the procedures for the official consideration and approval of the inventory.

21. Where the Party included in Annex I has not performed all functions, the Party shall provide an explanation of which functions were not performed or were only partially performed and information on the action planned or taken to perform these functions in the future.

E. National registries

22. Each Party included in Annex I with a commitment inscribed in Annex B to the Kyoto Protocol shall provide a description of its national registry. The description shall include the following information:

(a) The name and contact information of the registry administrator designated by the Party to maintain the national registry;

(b) Any other Party with which the Party cooperates by maintaining their respective national registries in a consolidated system.

(c) A description of the database structure used in the national registry;

(d) A description of how the national registry complies with the technical standards approved by the SBSTA for ensuring the accurate, transparent and efficient exchange of data between national registries, the clean development registry and the independent transaction log, including;

(i) A description of the formats used in the national registry for account numbers, serial numbers for ERUs, CERs and AAUs, including project identifiers, and transaction numbers;

(ii) A list, and the electronic format, of the information transmitted electronically when transferring ERUs, CERs and/or AAUs between national registries and the CDM registry when transferring or acquiring ERUs, CERs and/or AAUs, as appropriate;

(iii) A list, and the electronic format, of the information transmitted electronically from the national registry to the independent transaction log when issuing, transferring, acquiring, cancelling and retiring ERUs, CERs and/or AAUs, as appropriate;

(iv) An explanation of the procedures employed in the national registry to prevent discrepancies in the issuance, transfer, acquisition, cancellation and retirement of ERUs, CERs and/or AAUs;

(v) An overview of security measures employed in the national registry to deter unauthorized manipulations and minimize operator error;

(e) A list of the information publicly accessible through the user interface to the national registry;

(f) An explanation of how to access information through the user interface to the national registry.

F. Mechanisms pursuant to Articles 6, 12 and 17

23. [Each Party included in Annex I shall report general information on projects under Articles 6 and 12 (summarizing detailed information on each project as publicly available on the Internet).]

G. Supplementarity relating to the mechanisms pursuant to Articles 6, 12 and 17

24. [Each Party included in Annex I shall provide information on how its use of the mechanisms is supplemental to domestic action, and how its domestic action thus constitutes a significant element of the effort made to meet its quantified limitation and reduction commitments under Article 3, paragraph 1 in accordance with the provisions of decision 5/CP.6.]

H. [Joint fulfilment of commitments in accordance with Article 4

25. A regional economic integration organization that becomes a Party to the Kyoto Protocol pursuant to Article 24, paragraph 1, shall include in its national communication information on:

(a) The respective roles and responsibilities of the regional economic integration organization and its member States for the performance of their obligations under the Kyoto Protocol, including in relation to respective emission levels and participation in the mechanisms under Articles 6, 12 and 17;

(b) Measures taken to ensure the consistency of inventory and assigned amount information gathered and reported by the regional economic integration organization and by its member States.]

I. Policies and measures in accordance with Article 2

26. In providing information under part II, section V, of the guidelines for the preparation of national communications by Parties included in Annex I to the Convention (FCCC/CP/1999/7), each Party included in Annex I shall specifically address policies and measures implemented and/or further elaborated as well as cooperation with other such Parties in achieving its quantified emission limitation and reduction commitment under Article 3, in order to promote sustainable development. Such reporting shall take into account any relevant decision by the COP and the COP/MOP resulting from the process for further consideration of the issue of policies and measures (decision -/CP.7).

27. With respect to aviation and marine bunker fuels, each Party included in Annex I shall, in pursuit of Article 2.2 of the Kyoto Protocol, identify the steps it has taken to promote and/or implement any decisions by the International Civil Aviation Organization and the International

Maritime Organization in order to limit or reduce emissions of greenhouse gases not controlled by the Montreal Protocol from aviation and marine bunker fuels.

28. [Each Party included in Annex I shall also provide information not reported elsewhere under these guidelines on how it strives to implement policies and measures under Article 2 of the Kyoto Protocol in such a way as to minimize adverse effects, including the adverse effects of climate change, effects on international trade, and social, environmental and economic impacts on other Parties, especially developing country Parties and in particular those identified in Article 4, paragraphs 8 and 9, of the Convention, taking into account Article 3 of the Convention. Such reporting shall take into account any relevant decision by the COP and the COP/MOP resulting from the process for further consideration of the issue of policies and measures (decision -/CP.7).]

J. Domestic and regional programmes and/or legislative arrangements and enforcement and administrative procedures

29. Each Party included in Annex I shall report any relevant information on its domestic and regional legislative arrangements and enforcement and administrative procedures, established pursuant to the implementation of the Kyoto Protocol, according to its national circumstances. This information shall include:

(a) A description of any domestic and regional legislative arrangements and enforcement and administrative procedures the Party has in place to meet its commitments under the Kyoto Protocol [and those of any agreement that it is a party to under Article 4], including the legal authority for such programmes, how they are implemented and procedures for addressing cases of non-compliance under domestic law;

(b) A description of any provisions to make information on these legislative arrangements and enforcement and administrative procedures (e.g. rules on enforcement and administrative procedures, action taken) publicly accessible.

(c) A description of any institutional arrangements and decision-making procedures that it has in place to coordinate activities related to participation in the mechanisms under Article 6, 12 and 17, including the participation of legal entities;

(d) [A description of national legislative arrangements and administrative procedures to ensure that the implementation of LULUCF activities contributes to the conservation of biodiversity and sustainable use of natural resources.]

K. Information under Article 10

30. Each Party included in Annex I shall report its activities, actions and programmes undertaken in fulfilment of its commitments under Article 10.

31. Each Party included in Annex I shall report on the steps it has taken to promote, facilitate and finance the transfer of technology to developing countries and to build their capacity, taking into account Article 4, paragraphs 3, 5 and 7, of the Convention in order to facilitate the implementation of Article 10 of the Kyoto Protocol.

L. Financial resources

32. [Each Party included in Annex II shall provide information on the implementation of Article 11 of the Kyoto Protocol, in particular information on what new and additional financial resources have been provided, in what way these resources are new and additional, and how that Party has taken into account the need for adequacy and predictability in the flow of these resources.

33. Each Party included in Annex II shall provide information on its contribution to the entity or entities entrusted with the operation of the financial mechanism.

34. Any Party included in Annex I that has provided funding for the adaptation fund established in accordance with decision -/CP.7 (*Funding under the Kyoto Protocol*) shall report on its financial contributions to this fund. In doing so, the Party shall take into account the information reported in accordance with paragraph 6 of decision -/CP.7 (*Funding under the Kyoto Protocol*).]

III. LANGUAGE

35. The information reported in accordance with these guidelines shall be submitted in one of the official languages of the United Nations. Parties included in Annex I are encouraged to submit a translation of the information under Article 7, paragraph 1, in English, in order to facilitate the annual review of the inventory information under Article 8.

IV. UPDATING

36. These guidelines shall be reviewed and revised, as appropriate, by consensus, in accordance with decisions of the COP/MOP, taking into account any relevant decisions of the COP.

ANNEX II

Modalities for the accounting of assigned amounts under Article 7, paragraph 4, of the Kyoto Protocol[16]

I. ELABORATION OF ASSIGNED AMOUNT

A. Establishment of assigned amount pursuant to Article 3, paragraphs 7 and 8

1. The assigned amount pursuant to Article 3, paragraphs 7 and 8, for the first commitment period, from 2008 to 2012, for each Party included in Annex I with a commitment inscribed in Annex B to the Kyoto Protocol shall be equal to the percentage inscribed for it in Annex B of its aggregate anthropogenic carbon dioxide equivalent emissions of the greenhouse gases, and from the sources, listed in Annex A to the Kyoto Protocol in the base year multiplied by five, taking into account the following:

(a) The base year shall be 1990 except for those Parties undergoing the process of transition to a market economy that have selected a historical base year or period other than 1990, in accordance with Article 3, paragraph 5, and for those Parties that have selected 1995 as the base year for total emissions of hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride, in accordance with Article 3, paragraph 8;

(b) Those Parties for which land-use change and forestry (all emissions by sources and removals by sinks under category 5 of the *Revised 1996 Intergovernmental Panel of Climate Change Guidelines for National Greenhouse Gas Inventories*) constituted a net source of greenhouse gas emissions in 1990 shall include in their 1990 emissions base year or period the aggregate anthropogenic carbon dioxide equivalent emissions by sources minus removals by sinks in 1990 from land-use change (all emissions by sources minus removals by sinks reported in relation to the conversion of forests (deforestation));

(c) Those Parties that have reached an agreement in accordance with Article 4 to fulfil their commitments under Article 3 jointly shall use the respective emission level allocated to each of the Parties in that agreement instead of the percentage inscribed for it in Annex B.

2. Each Party included in Annex I with a commitment inscribed in Annex B shall facilitate the establishment of its assigned amount pursuant to Article 3, paragraphs 7 and 8, for the commitment period and demonstrate its capacity to account for its emissions and assigned amount. To this end, each Party shall submit a report containing the following information, or references to such information where it has been previously submitted to the secretariat:

(a) Complete inventories of anthropogenic emissions by sources and removals by sinks of greenhouse gases not controlled by the Montreal Protocol for all years from 1990, or other approved base year or period under Article 3, paragraph 5, to the most recent year available, prepared in accordance with Article 5, paragraph 2, and relevant decisions of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP), taking into account any relevant decisions of the Conference of the Parties (COP);

---

[16] "Article" in these modalities refers to an article of the Kyoto Protocol, unless otherwise specified.

(b) Identification of its selected base year for hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride in accordance with Article 3, paragraph 8;

(c) The agreement under Article 4, where the Party has reached such an agreement to fulfil its commitments under Article 3 jointly with other Parties;

(d) Calculation of its assigned amount pursuant to Article 3, paragraphs 7 and 8 on the basis of its inventory of anthropogenic emissions by sources and removals by sinks of greenhouse gases not controlled by the Montreal Protocol;

(e) Calculation of its commitment period reserve in accordance with decision -/CP.7 (emissions trading);

(f) Identification of its selection of minimum values for tree crown cover, land area and tree height for use in accounting for its activities under Article 3, paragraph 3, together with a demonstration of the consistency of those values with historical reporting to the Food and Agriculture Organization of the United Nations or other international bodies, and in the case of difference, an explanation of why and how such values were chosen, in accordance with decision -/CP.7 (land use, land-use change and forestry);

(g) Identification of its election of activities under Article 3, paragraph 4, for inclusion in its accounting for the first commitment period, together with documentation of the specific land area associated with the activities, in accordance with decision -/CP.7 (land use, land-use change and forestry);

(h) A description of its national system in accordance with Article 5, paragraph 1, reported in accordance with paragraphs 20 and 21 of the guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol;

(i) A description of its national registry for recording and tracking its assigned amount, reported in accordance with paragraph 22 of the guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol.

3. After review under Article 8 and resolution of any questions of implementation relating to adjustments or assigned amounts, the assigned amount pursuant to Article 3, paragraphs 7 and 8, of each Party shall be recorded in the database for the compilation and accounting of emissions and assigned amounts referred to in paragraph 37. Once recorded, the assigned amount pursuant to Article 3, paragraphs 7 and 8, shall be considered established and shall remain fixed for the commitment period.

B. Additions to, and subtractions from, assigned amount pursuant to Article 3, paragraphs 7 and 8

4. Additions to the assigned amount pursuant to Article 3, paragraphs 7 and 8, of a Party shall be made where:

(a) The Party acquires emission reduction units, certified emission reductions or any part of an assigned amount from another Party in accordance with Article 3, paragraphs 10, 11 and 12, and Articles 6, 12 and 17;

(b) The activities of a Party under Article 3, paragraphs 3 and/or 4, result in a net sink of greenhouse gases, as reported in accordance with Article 7, reviewed in accordance with Article 8, accounted in accordance with the decision –/CP.7 (land use, land-use change and forestry) and subject to any questions of implementation related to those activities having been resolved;

5. Subtractions from the assigned amount pursuant to Article 3, paragraphs 7 and 8, of a Party, taking account of additions to such assigned amount under paragraph 4 above, shall be made where:

(a) The Party transfers emission reduction units, certified emission reductions or any part of an assigned amount to another Party in accordance with Article 3, paragraphs 10 and 11, and Articles 6, 12 and 17;

(b) The activities of a Party under Article 3, paragraphs 3 and/or 4, result in a net source of greenhouse gas emissions, as reported in accordance with Article 7, reviewed in accordance with Article 8 and accounted in accordance with the decision -/CP.7 (land use, land-use change and forestry);

(c) The Party cancels emission reduction units, certified emission reductions or any part of an assigned amount so that they may not be used in fulfilment of commitments under Article 3, paragraph 1.

C. Retirement amount

6. Each Party included in Annex I with a commitment inscribed in Annex B shall retain a retirement amount for each commitment period by retiring assigned amount pursuant to Article 3, paragraphs 7 and 8, taking account of additions to, and subtractions from, such assigned amount under paragraphs 4 and 5 above, for the purpose of demonstrating its compliance with its commitment under Article 3, paragraph 1. No part of a retirement amount may be subsequently transferred.

D. Basis for the compliance assessment

7. The assessment, after the first commitment period and the expiration of the additional period for fulfilling commitments, of the compliance of a Party included in Annex I with its commitment under Article 3, paragraph 1, shall be based on the comparison of its retirement amount with its aggregate anthropogenic carbon dioxide equivalent emissions of the greenhouse gases, and from the sources, listed in Annex A to the Kyoto Protocol[17] during the first commitment period as reported in accordance with Article 7 and reviewed in accordance with Article 8, taking into account any adjustments in accordance with Article 5, paragraph 2. The aggregate emissions shall include all emissions by sources and removals by sinks of all gases that were taken into account in the establishment of the assigned amount pursuant to Article 3, paragraphs 7 and 8, of that Party.

---

[17] Including, for Parties for which land-use change and forestry constituted a net source of greenhouse gas emissions in 1990, emissions by sources and removals by sinks from land-use change (all emissions by sources minus removals by sinks reported in relation to the conversion of forests (deforestation)).

E. Carry-over of assigned amount

8. After expiration of an additional period for fulfilling commitments and where the final compilation and accounting report referred to in paragraph 43 below indicates that the retirement amount of the Party is equivalent to its anthropogenic carbon dioxide equivalent emissions for that commitment period, the Party may add any assigned amount pursuant to Article 3, paragraphs 7 and 8, taking account of additions to, and subtractions from, such assigned amount under paragraphs 4 and 5 above, which has not been retired, to its assigned amount for the subsequent commitment period, in accordance with Article 3, paragraph 13.

9. Where the Compliance Committee subsequently determines that the Party is not in compliance with its commitment under Article 3, paragraph 1, in a commitment period, the carry-over of assigned amount to the subsequent commitment period, up to the amount in tonnes of the excess emissions, shall be revoked.

II. REGISTRY REQUIREMENTS

A. National registries

10. Each Party included in Annex I with a commitment inscribed in Annex B shall establish and maintain a national registry to ensure the accurate accounting of the issuance, holding, transfer, acquisition, cancellation and retirement of emission reduction units, certified emission reductions and assigned amount units, where:

(a) An "emission reduction unit" or "ERU" is a unit issued pursuant to the relevant provisions in these modalities for the accounting of assigned amounts, and is equal to one metric tonne of carbon dioxide equivalent, calculated using global warming potentials defined by decision 2/CP.3 or as subsequently revised in accordance with Article 5;

(b) A "certified emission reduction" or "CER" is a unit issued pursuant to Article 12 and requirements thereunder, and is equal to one metric tonne of carbon dioxide equivalent, calculated using global warming potentials defined by decision 2/CP.3 or as subsequently revised in accordance with Article 5;

(c) An "assigned amount unit" or "AAU" is a unit issued pursuant to the relevant provisions in these modalities for the accounting of assigned amounts, and is equal to one metric tonne of carbon dioxide equivalent, calculated using global warming potentials defined by decision 2/CP.3 or as subsequently revised in accordance with Article 5.

11. Each Party shall designate an organization as its registry administrator to maintain the Party's national registry. Any two or more such Parties may voluntarily maintain their respective national registries in a consolidated system, provided that each national registry remains distinct.

12. A national registry shall be in the form of a standardized electronic database which contains, *inter alia*, common data elements relevant to the issuance, holding, transfer, acquisition, cancellation and retirement of ERUs, CERs and AAUs. The structure and data formats of national registries shall conform to technical standards to be adopted by the COP/MOP for the purpose of ensuring the accurate, transparent and efficient exchange of data

between national registries, the clean development mechanism (DCM) registry and the independent transaction log.

13. Each ERU, CER and AAU shall be held in only one account in one registry at a given time.

14. Each national registry shall have the following accounts:

(a) At least one holding account for the Party;

(b) At least one holding account for each legal entity authorized by the Party to hold ERUs, CERs and/or AAUs under its responsibility;

(c) At least one cancellation account for each commitment period for the purposes of:

(i) Cancelling AAUs in accordance with paragraph 5 (b);

(ii) Cancelling ERUs, CERs and/or AAUs in accordance with paragraph 5 (c);

(d) One retirement account for each commitment period.

15. Each account within a national registry shall have a unique account number comprising the following elements:

(a) Party identifier: the Party in whose national registry the account is maintained, identified by means of the two-letter country code defined by ISO 3166;

(b) A unique number: a number unique to that account for the Party in whose national registry the account is maintained.

B. Issuance of ERUs and AAUs

16. Each Party included in Annex I with a commitment inscribed in Annex B shall, prior to any transactions taking place for that commitment period, issue its assigned amount pursuant to Article 3, paragraphs 7 and 8, established in accordance with paragraphs 1 to 3 above, into its national registry as AAUs.

17. Each AAU shall have a unique serial number comprising the following elements:

(a) Commitment period: the commitment period for which the AAU is issued;

(b) Party of origin: the Party issuing the AAU, identified by means of the two-letter country code defined by ISO 3166;

(c) Type: an element identifying the unit as an AAU;

(d) A unique number: a number unique to the AAU for the identified commitment period and Party of origin.

18. Each Party shall issue any additions to its assigned amount pursuant to Article 3, paragraphs 7 and 8, as a result of activities under Article 3, paragraphs 3 and 4, in accordance with paragraph 4 (b) above, into its national registry as AAUs.

19. Each Party shall issue ERUs into its national registry by converting AAUs previously issued by that Party and held in its national registry. An AAU shall be converted into an ERU by adding a project identifier to the serial number and changing the type indicator in the serial number to indicate an ERU. Other elements of the serial number of the AAU shall remain unchanged. The project identifier shall identify the specific Article 6 project for which the ERUs are issued, using a number unique to the project for the Party of origin. Upon such issuance, the Party shall transfer the ERUs to the account or accounts of the project participants and Parties specified in their distribution agreement.

C. Transfer, acquisition, cancellation and retirement of ERUs, CERs and AAUs

20. Each Party included in Annex I with a commitment inscribed in Annex B may transfer and acquire ERUs, CERs and AAUs.

21. Each Party included in Annex I with a commitment inscribed in Annex B:

(a) Shall cancel AAUs equivalent to net sources of greenhouse gases from activities under Article 3, paragraphs 3 and 4, in accordance with paragraph 5 (b) above, by transferring AAUs to a cancellation account in its national registry;

(b) May cancel ERUs, CERs and/or AAUs so they cannot be used in fulfilment of commitments under Article 3, paragraph 1, in accordance with paragraph 5 (c) above, by transferring ERUs, CERs and/or AAUs to a cancellation account in its national registry. Legal entities, where authorized by the Party, may also perform this function.

22. Each Party included in Annex I with a commitment inscribed in Annex B shall retire ERUs, CERs and/or AAUs for the purpose of contributing to its retirement amount to be used in fulfilment of its commitment under Article 3, paragraph 1, in accordance with paragraph 6 above, by transferring ERUs, CERs and/or AAUs to the retirement account in its national registry.

23. ERUs, CERs and AAUs transferred to cancellation or retirement accounts may not be further transferred. ERUs, CERs and AAUs transferred to cancellation accounts may not be used for the purpose of demonstrating the compliance of a Party with its commitment under Article 3, paragraph 1.

24. Each Party included in Annex I with a commitment inscribed in Annex B may carry over ERUs, CERs and AAUs held by that Party to the subsequent commitment period, in accordance with paragraph 8 above. Each ERU, CER and AAU carried over in this manner shall maintain its original serial number. ERUs, CERs and AAUs of a previous commitment period which have not been carried over in this manner may not be transferred, acquired, cancelled and/or retired after the end of the additional period for fulfilling commitments.

25. Where the Compliance Committee determines that the Party is not in compliance with its commitment under Article 3, paragraph 1, for a commitment period, ERUs, CERs and/or AAUs previously carried over into the subsequent commitment period, equal to the amount in tonnes of excess emissions, shall be transferred to the retirement account of the Party and for the commitment period for which such non-compliance was determined, in accordance with paragraph 9 above.

D. Transaction procedures

26. The secretariat shall establish and maintain an independent transaction log to ensure the validity of transactions, including the issuance, transfer, acquisition, cancellation and retirement of ERUs, CERs and AAUs. The transaction log shall ensure that each ERU, CER and AAU is held in only one account in one registry at a given time.

27. A Party included in Annex I shall initiate issuance of an AAU by directing its national registry to issue AAUs into a specific account within that registry. The executive board of the CDM shall initiate issuance of a CER by directing the CDM registry to issue CERs into its pending account in accordance with the requirements under Article 12. A Party included in Annex I shall initiate issuance of an ERU by directing its national registry to convert specified AAUs into ERUs within an account of that national registry. Subject to notification by the transaction log that there are no discrepancies pertaining to the issuance, the issuance shall be completed when specific ERUs, CERs or AAUs are recorded in the specified account and, in the case of ERUs, the specified AAUs are removed from the account.

28. A Party included in Annex I shall initiate any transfer of ERUs, CERs and/or AAUs, including those to cancellation and retirement accounts, by directing its national registry to transfer specified ERUs, CERs and/or AAUs to a specific account within that registry or another registry. The executive board of the CDM shall initiate any transfer of CERs by directing the CDM registry to transfer specified CERs to a specific account within that registry or another registry. Subject to notification by the transaction log that there are no discrepancies pertaining to the transfer, the transfer shall be completed when the specified ERUs, CERs and/or AAUs are removed from the transferring account and are recorded in the acquiring account.

29. Upon the initiation of any issuance, transfer, cancellation or retirement of ERUs, CERs and/or AAUs, and prior to the completion of those transactions:

(a) The initiating registry shall create a unique transaction number comprising: the commitment period for which the transaction is proposed; the Party identifier for the Party initiating the transaction (using the two-letter country code defined by ISO 3166); and a number unique to that transaction for the commitment period and initiating Party;

(b) The initiating registry shall send a record of the proposed transaction to the transaction log or, in the case of transfers to another registry, to the acquiring national registry. The record shall include: the transaction number; the transaction type (issuance, transfer, cancellation or retirement, further distinguished in accordance with the categories in paragraphs 4 and 5 above); the serial numbers of the relevant ERUs, CERs or AAUs; and the relevant account numbers. In the case of transfers to another registry, the acquiring registry, subject to its acceptance of the proposed transaction, shall send the record to the transaction log;

(c) The transaction log shall, upon receipt of the record, conduct an automated check to ensure that there are no discrepancies with regard to units previously retired or cancelled; duplicated units; units improperly issued; units not carried over from a previous commitment period; the eligibility of Parties involved in the transaction to participate in the mechanisms; the eligibility of legal entities involved in the transaction to hold ERUs, CERs or AAUs; and infringements on the commitment period reserve of the Party established in the requirements

under Article 17. Upon completion of the automated check, the transaction log shall notify the initiating and, in the case of transfers to another registry, the acquiring Party's registry of the results of the automated check;

(d) If a discrepancy is notified by the transaction log, the initiating registry shall terminate the transaction;

(e) If no discrepancy is notified by the transaction log, the initiating registry and, in the case of transfers to another registry, the acquiring Party's registry shall complete or terminate the transaction and send the record and a notification of completion or termination of the transaction to the transaction log. In the case of transfers to another registry, the initiating and acquiring Parties' registries shall also send their records and notifications to each other.

30. The transaction log shall record, and make publicly available, all transaction records and the date and time of completion of each transaction, to facilitate its automated checks and the review under Article 8.

E. Publicly accessible information

31. Each national registry shall record non-confidential information and provide a publicly accessible user interface through the Internet that allows interested persons to query and view it.

32. The information referred to in paragraph 31 shall include the following account information relevant to the national registry, for each account number:

(a) Account name: the holder of the account;

(b) Account type: the type of account (holding, cancellation or retirement);

(c) Commitment period: the commitment period with which a cancellation or retirement account is associated;

(d) Representative identifier: the representative of the account holder, using the Party identifier (the two-letter country code defined by ISO 3166) and a number unique to that representative within the Party's registry;

(e) Representative name and contact information: the full name, mailing address, telephone number, facsimile number and email address of the representative of the account holder.

33. The information referred to in paragraph 31 shall include the following Article 6 project information, for each project identifier against which the Party has issued ERUs:

(a) Project name: a unique name for the project;

(b) Project location: the Party and town or region in which the project is located;

(c) Years of ERU issuance: the years in which ERUs have been issued as a result of the Article 6 project;

(d) Reports: downloadable electronic versions of all documentation relating to the project, including proposals, monitoring, verification and issuance of ERUs, where relevant, subject to confidentiality provisions in decision -/CP.1 (Article 6).

34. The information referred to in paragraph 31 shall include the following holding and transaction information relevant to the national registry, by serial numbers, for each calendar year (defined according to Greenwich Mean Time):

(a) ERUs, CERs and AAUs in each account at the beginning of the year;

(b) AAUs issued on the basis of assigned amount pursuant to Article 3, paragraphs 7 and 8;

(c) In relation to additions:

(i) ERUs, CERs and AAUs acquired from other registries and the identity of the transferring accounts and national registries;

(ii) AAUs issued on the basis of activities under Article 3, paragraphs 3 and 4;

(d) In relation to subtractions:

(i) ERUs, CERs and AAUs transferred to other registries and the identity of the acquiring accounts and national registries;

(ii) AAUs cancelled on the basis of activities under Article 3, paragraphs 3 and 4;

(iii) Other ERUs, CERs and AAUs cancelled;

(e) ERUs, CERs and AAUs retired;

(f) ERUs, CERs and AAUs carried over from the previous commitment period;

(g) Current holdings of ERUs, CERs and AAUs in each account.

35. The information referred to in paragraph 31 shall include a list of legal entities authorized by the Party to hold ERUs, CERs and/or AAUs under its responsibility.

III. COMPILATION AND ACCOUNTING OF EMISSION INVENTORIES AND ASSIGNED AMOUNTS

A. Report upon expiration of the additional period for fulfilling commitments

36. Upon expiration of an additional period for fulfilling commitments, each Party included in Annex I with a commitment inscribed in Annex B shall report, in a standard electronic format:

(a) The total quantities of the categories of ERUs, CERs and AAUs listed in paragraph 34 (a) to (f), for the current calendar year until the end of the additional period for fulfilling commitments (defined according to Greenwich Mean Time). This information shall only include ERUs, CERs and AAUs valid for the previous commitment period;

(b) The total quantity of ERUs, CERs and AAUs in its retirement account;

(c) The ERUs, CERs and AAUs which the Party requests to be added to its assigned amount for the subsequent commitment period.

B. Compilation and accounting database

37. The secretariat shall establish a database to compile and account for emissions and assigned amounts pursuant to Article 3, paragraphs 7 and 8, taking account of additions to, and subtractions from, such assigned amount in accordance with paragraphs 4 and 5 above, including cancellations, retirement and carry-overs. A separate account shall be maintained in the database for each Party included in Annex I with a commitment inscribed in Annex B for each commitment period.

38. The information on emissions recorded in the database for each Party and each commitment period shall include:

(a) Aggregate annual carbon dioxide equivalent emissions of the greenhouse gases, and from the sources, listed in Annex A to the Kyoto Protocol[18] for each year of the commitment period that has been reported in accordance with Article 7 and reviewed in accordance with Article 8;

(b) Any adjustments under Article 5, paragraph 2, recorded as the difference, in carbon dioxide equivalent terms, between the adjusted estimate and the inventory estimate reported under Article 7;

(c) Aggregate anthropogenic carbon dioxide equivalent emissions in the commitment period, calculated as the sum of the amounts in subparagraphs (a) to (b) above for all years of the commitment period that have been subject to review in accordance with Article 8;

(d) Aggregate carbon dioxide equivalent emissions and removals of the greenhouse gases listed in Annex A to the Kyoto Protocol from activities under Article 3, paragraphs 3 and 4, that have been reported in accordance with Article 7 and reviewed in accordance with Article 8.

39. Where a Party submits recalculated estimates of emissions and removals of greenhouse gases for a year of the commitment period, subject to the review in accordance with Article 8, appropriate amendments shall be made to the information contained in the database including, where relevant, the removal of previously applied adjustments.

40. The assigned amount information recorded in the database for each Party and each commitment period shall include:

(a) The assigned amount pursuant Article 3, paragraphs 7 and 8;

(b) The supplementary information reported in accordance with Article 7, paragraph 1, and reviewed in accordance with Article 8, related to ERUs, CERs and AAUs;

---

[18] Including, for Parties for which land-use change and forestry constituted a net source of greenhouse gas emissions in 1990, emissions by sources and removals by sinks from land-use change (all emissions by sources minus removals by sinks reported in relation to the conversion of forests (deforestation)).

(c) The information reported upon expiration of the additional period for fulfilling commitments in accordance with paragraph 36 and reviewed in accordance with Article 8.

C. Compilation and accounting reports

41. The secretariat shall compile and account information contained in its database on the emissions and assigned amount of each Party included in Annex I, on an annual basis as well as upon the expiration of an additional period for fulfilling commitments, to assist the Compliance Committee in assessing the compliance of each Party included in Annex I with its commitment under Article 3, paragraph 1.

42. The secretariat shall publish an annual compilation and accounting report for each Party included in Annex I and forward it to the COP/MOP, the Compliance Committee and the Party concerned, indicating, inter alia, its current retirement amount and aggregate anthropogenic carbon dioxide equivalent emissions for all years of the commitment period that have been subject to review in accordance with Article 8.

43. After the commitment period and the additional period for fulfilling commitments, the secretariat shall publish a final compilation and accounting report for each Party included in Annex I and forward it to the COP/MOP, the Compliance Committee and the Party concerned, indicating:

(a) Whether the retirement amount of the Party is equivalent to its aggregate anthropogenic carbon dioxide equivalent emissions for the commitment period;

(b) Where appropriate, the quantity of ERUs, CERs and/or AAUs of the Party which is available to be carried over to the subsequent commitment period;

(c) Where appropriate, the amount in tonnes by which the aggregate anthropogenic carbon dioxide equivalent emissions exceed the retirement amount for the commitment period, expressed as a percentage of the retirement amount.

Draft decision -/CP.7

Guidelines for review under Article 8 of the Kyoto Protocol

The Conference of the Parties,

Recalling its decisions 1/CP.3, 1/CP.4, 8/CP.4, 6/CP.5 and 5/CP.6,

Noting the relevant provisions of the Kyoto Protocol to the United Nations Framework Convention on Climate Change, in particular its Article 8,

Recalling its decisions 6/CP.3 and 11/CP.4 and the usefulness of past compilations and syntheses of national communications,

Having considered the relevant recommendations of the Subsidiary Body for Scientific and Technological Advice,[19]

1. *Recommends* that the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, at its first session, adopt the attached draft decision;

2. [*Requests* the Subsidiary Body for Scientific and Technological Advice to consider, at its sixteenth session, *inter alia*, the size, composition, criteria for selection, responsibilities, term of service and rotation principle, funding and operational arrangements of the standing group of review experts, as well as the relationship that may exist between such a group and expert review teams, taking into account experience gained during the trial period in the use of the guidelines for the technical review of greenhouse gas inventories from Parties included in Annex I, and to forward any draft decision on this issue to the Conference of the Parties at its eighth session, with a view to recommending it for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its first session after the entry into force of the Protocol.]

Draft decision -/CMP.1

Guidelines for review under Article 8 of the Kyoto Protocol

The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,

Recalling Article 8 of the Kyoto Protocol to the United Nations Framework Convention on Climate Change,

Having considered decision _/CP.7, adopted by the Conference of the Parties at its seventh session,

Recognizing the importance of the review process under Article 8 for the implementation of other provisions of the Kyoto Protocol,

---

[19] FCCC/SBSTA/2000/14.

1. *Adopts* the guidelines for review under Article 8 of the Kyoto Protocol as contained in the annex to this decision;

2. *Decides* that for each Party included in Annex I the review prior to the first commitment period shall be initiated upon receipt of the report as mentioned in paragraph 2 of the modalities for the accounting of assigned amounts under Article 7, paragraph 4, of the Kyoto Protocol. The review prior to the commitment period for each Party, including the procedures for adjustments under Article 5, paragraph 2, between the expert review team and the Party, shall be completed within 12 months of the initiation of the review and a report shall be forwarded expeditiously to the COP/MOP and the Compliance Committee. Further expertise and resources shall be provided to ensure the quality of the review in the case where review has to take place for several Parties at the same time.

3. *Decides* to start the periodic review for each Party included in Annex I when it submits its first national communication under the Kyoto Protocol;

4. *Decides* to start the annual review for each Party included in Annex I in the year [following the review prior to the commitment period for that Party.][that the Party commences reporting under Article 7, paragraph 1]

ANNEX

Draft guidelines for review under Article 8 of the Kyoto Protocol[20]

PART I: GENERAL APPROACH TO REVIEW

A. Applicability

1. Each Party included in Annex I which is also a Party to the Protocol will be subject to review of information submitted under Article 7 in accordance with the provisions of these guidelines. For these Parties, the review process established under these guidelines shall encompass any existing review under the Convention.

B. Objectives

2. The objectives for review under Article 8 of the Kyoto Protocol are:

(a) To establish a process for a thorough, objective and comprehensive technical assessment of all aspects of the implementation of the Kyoto Protocol by Parties included in Annex I;

(b) To promote consistency and transparency in the review of information submitted by Parties included in Annex I under Article 7 of the Kyoto Protocol;

(c) To assist Parties included in Annex I in improving their reporting of information under Article 7 and the implementation of their commitments under the Protocol;

(d) To provide the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP) and the Compliance Committee with a technical assessment of the implementation of the Kyoto Protocol by Parties included in Annex I.

C. General approach

3. The provisions of these guidelines shall apply to the review of information submitted by Parties included in Annex I under Article 7, relevant decisions of the COP/MOP and relevant decisions of the Conference of the Parties (COP) specific to Parties included in Annex I.

4. The expert review team shall provide a thorough and comprehensive technical assessment of all aspects of the implementation by a Party of the Kyoto Protocol and identify any potential problems in, and factors influencing, the fulfilment of commitments. The expert review team shall conduct technical reviews to provide information expeditiously to the COP/MOP and the Compliance Committee in accordance with the procedures in these guidelines.

---

[20] "Article" in these guidelines refers to an article of the Kyoto Protocol, unless otherwise specified.

5. At any stage in the review process, expert review teams may put questions to, or request additional or clarifying information from, the Parties included in Annex I regarding a potential problem identified by the team. The expert review team should offer advice to Parties included in Annex I on how to correct problems that they identify, taking into account the national circumstances of the Party. The expert review team shall also provide technical advice to the COP/MOP or the Compliance Committee, upon its request.

6. Parties included in Annex I should provide the expert review team with access to information necessary to substantiate and clarify the implementation of their commitments under the Kyoto Protocol, in accordance with relevant guidelines adopted by the COP and/or the COP/MOP and, during the in-country visits, should also provide appropriate working facilities. Parties included in Annex I should make every reasonable effort to respond to all questions and requests from the expert review team for additional clarifying information relating to identified problems and correct such problems within the time limits set out in these guidelines.

Questions of implementation

7. If the expert review team identifies potential problems during the review, it shall put questions to the Party included in Annex I regarding these potential problems and offer advice to the Party on how to correct them. The Party may correct the problems or provide additional information within the time-frame set out in these guidelines. Subsequently, a draft of each review report shall be forwarded to the Party subject to review for comment.

8. [Only in the case that an unresolved problem in, or a factor influencing the fulfilment of, commitments still exists after the Party included in Annex I has been provided with opportunities to correct the problem within the time-frames established under the relevant review procedures shall that problem be considered a question of implementation in the final review reports.] [Only if an unresolved problem pertaining to a mandatory aspect of these guidelines influencing the fulfilment of commitments still exists after the Party included in Annex I has been provided with opportunities to correct the problem within the time-frames established under the relevant review procedures, shall that problem be considered a question of implementation in the final review reports. An unresolved problem pertaining to a non-mandatory aspect of the guidelines shall be noted in the final review report, but shall not be considered a question of implementation.]

Confidentiality

9. Pursuant to a request from the expert review team for additional data or information or access to data used in the preparation of the inventory, a Party included in Annex I may indicate whether such information and data are confidential. In such a case, the Party should provide the basis for protecting such information, including any domestic law, and upon receipt of assurance that the data will be maintained as confidential by the expert review team, submit the confidential data [under domestic law]. Any confidential information and data submitted by a Party, in accordance with this paragraph, shall be maintained as confidential by the expert review team.

10. An expert review team member's obligation not to disclose confidential information shall continue after termination of his or her service on the expert review team.

D. Timing and procedures

1. Initial review

11. Each Party included in Annex I shall be subject to review prior to the first commitment period or within one year after the entry into force of the Kyoto Protocol for that Party, whichever is later.

12. The expert review team shall review the following information contained or referenced in the report for the [establishment] of the assigned amount pursuant to Article 3, paragraphs 7 and 8, as referred to in paragraph 2 of the modalities for the accounting of assigned amounts under Article 7, paragraph 4, for each Party included in Annex I:

(a) Complete inventories of anthropogenic emissions by sources and removals by sinks of greenhouse gases not controlled by the Montreal Protocol for all years from 1990, or other approved base year or period under Article 3, paragraph 5, to the most recent year available with an emphasis on the base year or period, including the selected base year for HFCs, PFCs and SF_6 in accordance with Article 3, paragraph 8, and the most recent year, for conformity with Article 5, paragraph 2, in accordance with the procedures contained in part II of these guidelines;

(b) The calculation of the assigned amount pursuant to Article 3, paragraphs 7 and 8, and the commitment period reserve, for conformity with the modalities for the accounting of assigned amounts under Article 7, paragraph 4, in accordance with the procedures contained in part III of these guidelines;

(c) The national system pursuant to Article 5, paragraph 1, in accordance with the procedures contained in part IV of these guidelines;

(d) The national registry pursuant to Article 7, paragraph 4, in accordance with the procedures contained in part V of these guidelines.

13. [The first national communication due under the Convention after the Protocol has entered into force for that Party will be reviewed prior to the first commitment period in accordance with the provisions of paragraph 19 below.[21]]

14. For each Party included in Annex I, the elements specified in paragraph 12 (a) to (d) above, shall be reviewed in conjunction. An in-country visit shall be conducted as part of this review.

2. Annual review

15. Each Party included in Annex I shall be subject to an annual review of:

(a) The annual inventory, including the national inventory report and the common reporting format (CRF) for conformity with Article 5, paragraph 2, in accordance with the procedures contained in part II of these guidelines;

(b) The following supplementary information, in accordance with the guidelines for the preparation of the information required under Article 7, section I:

---

[21] This will be the case if this national communication is submitted prior to the first commitment period.

(i) Information provided during the commitment period for land use, land-use change and forestry activities under Article 3, paragraphs 3 and 4, for conformity with the requirements of relevant decisions of the COP/MOP, in accordance with the procedures contained in part II of these guidelines;

(ii) Information on [additions to and subtractions from] assigned amounts, in accordance with the procedures contained in part III of these guidelines;

(iii) Changes in national systems in accordance with the procedures contained in part IV of these guidelines;

(iv) Changes in national registries in accordance with the procedures contained in part V of these guidelines.

(v) [Information provided on matters related to Article 3, paragraph 14, and supplementary information in accordance with the procedures contained in part V(bis) of these guidelines]

16. The annual review, including adjustment procedures as part of the review of the annual or base year inventory, shall be concluded within one year of the due date for submission of the information to be reported under Article 7, paragraph 1.

17. The elements specified in paragraph 15 (b) (iii) and (iv) above, shall be subject to review as part of the annual review only if problems or significant changes have been identified by an expert review team or if the Party included in Annex I reports significant changes in its inventory report as defined in paragraphs 83 and 96 of these guidelines.

18. The elements described in paragraph 15 above shall be reviewed together for each Party included in Annex I by a single expert review team.

3. Periodic review

19. Each national communication submitted under the Kyoto Protocol by a Party included in Annex I shall be subject to a scheduled in-country review in accordance with part VI of these guidelines.[22] [Such review shall include the supplementary information incorporated in the annual inventory of the Party concerned relating to minimization of adverse effects under Article 3, paragraph 14, submitted in accordance with section I of the guidelines for the preparation of the information under Article 7, that is compiled annually by the secretariat in accordance with paragraph 14 of section I of the guidelines for the preparation of the information under Article 7.]

---

[22] It is likely that the fourth national communication will be the first national communication under the Kyoto Protocol and that such review will occur prior to the first commitment period: Article 7, paragraph 3, states that each Party included in Annex I shall submit the information required under Article 7, paragraph 2, as part of the first national communication due under the Convention after the Protocol has entered into force for it and after adoption of guidelines for the preparation of information under Article 7. This article also states that the COP/MOP shall determine the frequency of submission of national communications, taking into account any timetable for submission of national communications decided upon by the COP. Decision 11/CP.4 requests Parties included in Annex I to submit a third national communication by 30 November 2001 and subsequent national communications on a regular basis, at intervals of three to five years, to be decided at a future session, and requires that each of those national communications should be subject to an in-depth review coordinated by the secretariat.

E. Expert review teams and institutional arrangements

Expert review teams

20. Expert review teams for all reviews should be constituted from experts selected on an ad hoc basis from the roster of experts and a standing group of review experts. The members of the standing group of review experts and the ad hoc review experts shall interact and cooperate in their functioning in accordance with responsibilities established in relevant decisions of the COP/MOP.

21. For each Party included in Annex I, each submission under Article 7 shall be assigned to a single expert review team that shall be responsible for performing the review in accordance with procedures and time-frames established in these guidelines. Expert review teams formed for the tasks carried out under the provisions of these guidelines may vary in size and composition, taking into account the national circumstances of the Party under review and the different expertise needs of each review task, in accordance with relevant decisions of the COP/MOP.[23]

22. Experts who form the expert review teams shall serve in their personal capacity, shall have recognized competence in the areas to be reviewed according to these guidelines [and shall be funded in accordance with the relevant decision of the COP/MOP]. Without compromising other selection criteria, the formation of an expert review team should ensure [geographical balance] [equitable geographical representation of the five United Nations regional groups, taking into account the interest groups as reflected by the current practice in the Bureau of the Conference of the Parties] among its members and, to the extent possible, include at least one member with the necessary language skills to assess background documentation that is not available in English.

23. In the conduct of the review, expert review teams shall work on the basis of established and published procedures, including quality assurance and control and confidentiality provisions.

24. Parties and intergovernmental organizations shall nominate experts to the roster of experts according to the procedures for such nominations in the relevant decisions of the COP/MOP.

25. No national of a Party included in Annex I that is reviewed shall be included in the expert review team responsible for any review of that Party.

26. The inventory submission of the same Party shall not be reviewed in two successive review years by expert review teams with identical composition of experts.

---

[23] The COP may recommend a decision to the COP/MOP on this issue when the trial period established under decision 6/CP.5 is completed, when the COP adopts a final decision related to possible review guidelines for national communications, as considered in the conclusions of the Subsidiary Body for Implementation at its tenth session (FCCC/SBI/2000/5, paragraph 24 (c)) and when these guidelines for review under Article 8 of the Kyoto Protocol are completed.

Standing group of review experts

27. [The standing group of review experts shall provide for continuity, comparability and timeliness of the review. The members of the standing group of review experts shall be nominated by Parties to the roster of experts for that purpose. The constitution of the standing group of review experts shall be guided by the following principles: expertise, independence and geographical balance among the members. The size, composition (including the application of the principles expertise, independence and geographical balance), criteria for selection, responsibilities and operational arrangements of the standing group of review experts, including the term of service and the rotation, shall be established in accordance with the relevant decisions of the COP/MOP.]

28. To provide that the above-mentioned principles are consistently applied, it shall be ensured that:

(a) Experts successfully undergo an assessment of their competence in their respective fields, taking into account that complementary training is offered to nominated experts to enable them to qualify for participation in the review process and carry out specific tasks;

(b) Experts are selected on the basis of their expertise and of subparagraph (a) above;

(c) Funding for experts is managed in such a way as to ensure independence of the experts [and Parties included in Annex I providing financial resources, in accordance with the relevant decisions of the COP/MOP].

Ad hoc review experts

29. Ad hoc review experts shall be selected for specific annual or periodic reviews. They shall perform review tasks during part of the year, in accordance with the commitments set out in their nomination.

30. Ad hoc review experts shall perform desk review tasks in their home countries. They shall also participate in in-country visits and in review meetings with the standing review group.

31. The criteria in paragraph 28 above shall apply also to the ad hoc review experts.

F. Reporting and publication

32. The expert review team shall, under its collective responsibility, produce the following review reports for each Party included in Annex I:

(a) For the initial review, a report on the review of the elements described in paragraph 12 (a) to (d) above in accordance with parts II, III, IV and V of these guidelines;

(b) For the annual review, a status report after the initial check of the annual inventory and a final report on the annual review of the elements in paragraph 15 in accordance with parts II, III, IV and V [and V bis] of these guidelines;

(c) For the periodic review, a report on the review of the national communication in accordance with part VI of these guidelines.

33. Review reports for each Party included in Annex I shall follow a format and outline comparable to that set out in paragraph 34 below and shall include the specific elements described in parts II to VI of these guidelines.

34. All final review reports prepared by the expert review team, except for status reports, shall include the following elements:

(a) An introduction and summary;

(b) A description of the technical assessment of each of the elements reviewed according to the relevant sections on the scope of the review in parts II to VI of these guidelines, including:

(i) A description of any potential problems in, and factors influencing the fulfilment of, commitments identified during the review;

(ii) Any recommendations provided by the expert review team to solve the potential problems;

(iii) An assessment of any efforts by the Party included in Annex I to address any potential problems identified by the expert review team during the current review or during previous reviews that have not been corrected;

(iv) Any questions of implementation of the commitments under the Kyoto Protocol;

(c) Possible recommendations by the expert review team on the conduct of the review in subsequent years, including which parts may need to be considered in more depth;

(d) Information on any other issue of concern deemed relevant by the expert review team;

(e) The sources of information used in the formulation of the final report.

35. Following their completion, all final review reports, including status reports on initial checks on annual inventories, shall be published by the secretariat and forwarded to the COP/MOP and the Compliance Committee and the Party concerned.

PART II: REVIEW OF ANNUAL INVENTORIES

A. Purpose

36. The purpose of the review of annual inventories of Parties included in Annex I is:

(a) To provide an objective, consistent, transparent, thorough and comprehensive technical assessment of annual inventories of anthropogenic emissions by sources and removals by sinks of greenhouse gases not controlled by the Montreal Protocol for conformity with the *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories*[24] as elaborated by the Intergovernmental Panel on Climate Change (IPCC) report entitled *Good Practice Guidance and*

[24] In these guidelines the *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories* are referred to as the IPCC Guidelines.

Uncertainty Management in National Greenhouse Gas Inventories[25] and any good practice guidance adopted by the COP/MOP, and with section I of the guidelines for the preparation of the information required under Article 7;

(b) To assess if adjustments under Article 5, paragraph 2, may be needed and, if so, to calculate adjustments in accordance with relevant decisions of the COP/MOP relating to Article 5, paragraph 2, of the Kyoto Protocol;

(c) To ensure that the COP/MOP and the Compliance Committee have reliable information on the annual inventories of anthropogenic emissions by sources and removals by sinks of greenhouse gases not controlled by the Montreal Protocol of each Party included in Annex I.

B. General procedures

37. The review should cover:

(a) The annual inventory, including the national inventory report and the common reporting format (CRF);

(b) Supplementary information under Article 7, paragraph 1, incorporated in the Party's national inventory according to section I.D, greenhouse gas inventory information, of the guidelines for the preparation of the information required under Article 7.

38. The annual inventory review shall consist of two elements:

(a) Initial check by the expert review team, with the assistance of the secretariat;

(b) Individual inventory review by the expert review team.

39. The individual inventory review shall occur in conjunction with the review of assigned amount, changes in national systems and changes in national registries as set out in part I of these guidelines.

40. The base year inventory shall be reviewed only once prior to the commitment period and adjusted if appropriate.

41. The annual inventory review should be conducted as a desk review. In addition, each Party included in Annex I shall be subject to at least one in-country visit by an expert review team during the commitment period as part of its annual review.

42. In-country visits should be scheduled, planned and take place with the consent of the Party included in Annex I subject to review.

43. In years when an in-country visit is not scheduled, an expert review team can request an in-country visit if it believes, based on the findings of the desk review, that such a visit is necessary to allow for fuller investigation of a potential problem that the team has identified, subject to the consent of the Party included in Annex I. The expert review team shall provide a

---

[25] In these guidelines the IPCC report entitled *Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories* is referred to as the IPCC good practice guidance.

rationale for the additional country visit and shall compile a list of questions and issues to be addressed during the country visit to be sent to the Party included in Annex I in advance of the visit. If such an in-country visit occurs, the expert review team may recommend that a pending scheduled in-country visit is not necessary.

44. If a Party included in Annex I fails to provide to the expert review team the data and information necessary for the assessment of conformity with the IPCC Guidelines as elaborated by the IPCC good practice guidance and any good practice guidance adopted by the COP/MOP, the expert review team shall assume that the estimate was not prepared in accordance with the IPCC Guidelines as elaborated by the IPCC good practice guidance and any good practice guidance adopted by the COP/MOP.

C. Initial checks of annual inventories

Scope of the review

45. The expert review team shall conduct an initial check as a desk review to examine that each Party included in Annex I has submitted a consistent, complete and timely annual inventory, including the national inventory report and the common reporting format and that data contained in the CRF are complete by means of computerized analysis and checks and in the correct format to enable subsequent review stages to occur.

46. The initial check shall identify whether:

(a) The submission is complete and information has been provided in the correct format in accordance with reporting guidelines on annual inventories;

(b) All sources, sinks and gases included in the IPCC Guidelines and any good practice adopted by the COP/MOP are reported;

(c) Any gaps are explained by use of notation keys, such as NE (not estimated) and NA (not applicable), in the CRF and whether there is frequent use of these notation keys;

(d) Methodologies are documented with notations in the CRF;

(e) Estimates for carbon dioxide (CO_2) emissions from fossil fuel combustion are reported using the IPCC reference approach, in addition to estimates derived using national methods;

(f) Estimates for hydrofluorocarbon, perfluorocarbon and sulphur hexafluoride emissions are reported by individual chemical species;

(g) A Party included in Annex I has failed to submit an annual inventory or the national inventory report or the common reporting format by the due date, or within six weeks of the due date;

(h) A Party included in Annex I has failed to include an estimate for a source category (as defined in chapter 7 of the IPCC good practice guidance) that individually accounted for [7] per cent or more of the Party's aggregate emissions, defined as aggregate submitted emissions of

the gases and from the sources listed in Annex A to the Kyoto Protocol[26], in the most recent of the Party's reviewed inventories in which the source was estimated.

(i) A Party included in Annex I has failed to provide the supplementary information in accordance with paragraphs 5 to 8 of annex I to the draft decision –/CMP.1 (*Guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol*).

Timing[27]

47. The initial check for each Party included in Annex I shall be performed and a draft status report shall be completed within four weeks after the submission date of the annual inventory and sent to the Party for comment. A delay in the preparation of the draft status report shall not shorten the time available for the Party concerned to comment on the draft status report. The secretariat shall immediately notify the Party concerned of any omissions or technical format problems identified in the initial check.

48. Any information, corrections, additional information or comments on the draft status report received from the Party included in Annex I within six weeks of the submission due date shall be subject to an initial check and shall be covered in the final status report. A delay in the submission of the annual inventory shortens the time available for the Party concerned to comment on the draft status report.

49. The status report on the initial check for each Party included in Annex I shall be finalized within ten weeks from the submission due date to be used in the individual inventory review.

Reporting

50. The status report shall include:

(a) The date of receipt of the inventory submission by the secretariat;

(b) An indication whether the annual inventory, including the national inventory report and the CRF, has been submitted;

(c) An indication whether any source category or gas of a source category is missing and, if so, an indication of the magnitude of the likely emissions of that source category or gas, if possible relative to the last inventory for which the review has been completed;

(d) Identification of any inventory problems according to the categories listed in paragraph 46 (g) and (i).

D. Individual inventory reviews

Scope of the review

51. The expert review team shall, *inter alia*:

---

[26] Including, for Parties for which land-use change and forestry constituted a net source of greenhouse gas emissions in 1990, emissions by sources and removals by sinks from land-use change (all emissions by sources minus removals by sinks reported in relation to the conversion of forests (deforestation)).

[27] For the initial review, the time frames for the initial check may serve as an indication.

(a) Examine application of the requirements of the IPCC Guidelines as elaborated by any IPCC good practice guidance adopted by the COP/MOP and the reporting guidelines on annual inventories and relevant decisions of the COP/MOP, and identify any departure from these requirements;

(b) Examine application of the reporting requirements of the section I.D of the guidelines for the preparation of information required under Article 7;

(c) Examine whether the IPCC good practice guidance and any other good practice guidance adopted by the COP/MOP was applied and documented, in particular noting the identification of key source categories, selection and use of methodologies and assumptions, development and selection of emission factors, collection and selection of activity data, reporting of consistent time-series, reporting of uncertainties related to inventory estimates and methodologies used for estimating those uncertainties and identify any inconsistencies;

(d) Compare emission or removal estimates, activity data, implied emission factors and any recalculations with data from previous submissions of the Party included in Annex I to identify any irregularities or inconsistencies;

(e) Compare the activity data of the Party included in Annex I with relevant external authoritative sources, if feasible, and identify sources where there are significant differences;

(f) Assess the consistency of information in the common reporting format with that in the national inventory report;

(g) Assess the extent to which issues and questions raised by expert review teams in previous reports have been addressed and resolved;

(h) Recommend possible ways for improving the estimation and the reporting of inventory information.

52. The expert review team may use relevant technical information in the review process, such as information from international organizations.

53. The secretariat shall, under the direction of the expert review team, conduct a standardized set of data comparisons to be performed on the electronic common reporting format submissions to be used in the review process.

Identification of problems

54. The individual inventory review shall identify any problems for which adjustments under Article 5, paragraph 2, would be appropriate and initiate procedures for calculation of adjustments.

55. Problems should be identified as a failure to follow agreed guidelines under Article 5, paragraph 2, in preparing greenhouse gas inventories, as a failure to follow section I of the guidelines for the preparation of the information required under Article 7, and as a failure to follow agreed methodologies for estimating and reporting activities under Article 3, paragraphs 3 and 4, as adopted by the COP/MOP. These may be further subdivided as problems of:

(a) Transparency, as defined in the UNFCCC reporting guidelines on annual inventories,[28] including:

(i) Inadequate documentation and description of methodologies, assumptions and recalculations;

(ii) Failure to disaggregate national activity data, emission factors and other factors used in national methods at the required level unless an issue of confidentiality exists;

(iii) Failure to provide justifications for recalculations, references and information sources for key factors and data;

(b) Consistency, as defined in the UNFCCC reporting guidelines on annual inventories, including failure to provide consistent time-series in accordance with the IPCC good practice guidance;

(c) Comparability, as defined in the UNFCCC reporting guidelines on annual inventories, including failure to use agreed reporting formats;

(d) Completeness, as defined in the UNFCCC reporting guidelines on annual inventories, including:

(i) Gaps in the inventory estimates for source categories or gases;

(ii) Inventory data that do not provide full geographic coverage of sources and sinks of a Party included in Annex I;

(iii) Failure to provide full coverage of sources in a source category;

(e) Accuracy, as defined in the UNFCCC reporting guidelines on annual inventories, including failure to provide estimates of uncertainty and address uncertainty through the application of the good practice.

56. The expert review team shall calculate:

(a) The percentage by which the aggregate adjusted greenhouse gas emissions for a Party included in Annex I exceed the aggregate submitted emissions, defined as aggregate submitted emissions of the gases and from the sources listed in Annex A to the Kyoto Protocol, for any single year;

(b) The sum of the numerical values of the percentages calculated in subparagraph (a) above for all years of the commitment period for which the review has been conducted.

57. The expert review team shall identify whether the same key source category as defined in chapter 7 of the IPCC good practice guidance was adjusted in previous reviews and, if so, the team shall indicate the number of reviews that identified and adjusted the problem previously and

---

[28] Guidelines for the preparation of national communications by Parties included in Annex I to the Convention, Part I: UNFCCC reporting guidelines on annual inventories (document FCCC/CP/1999/7) or any subsequent revision of these guidelines by the COP.

the percentage that the key source category contributes to the aggregate submitted emissions, defined as aggregate submitted emissions of the gases and from the sources listed in Annex A to the Kyoto Protocol.

Timing

58. The individual inventory review, including adjustment procedures, shall be concluded within one year of the due date of submission of the information to be reported under Article 7, paragraph 1.

59. The expert review team shall list all problems identified, indicating which would need an adjustment, and send this list to the Party included in Annex I no later than fifteen weeks from the submission due date of the annual inventory, if the inventory was submitted at least six weeks after the submission due date.

60. The Party included in Annex I shall comment on these questions within six weeks and, where requested by the review team, may provide revised estimates.

61. The expert review team shall prepare a draft individual inventory review report, which includes, where appropriate, adjusted estimates calculated according to guidance under Article 5, paragraph 2, within eight weeks of the receipt of the comments on the questions posed and shall send the draft report to the Party concerned.

62. The Party included in Annex I shall be provided with four weeks to comment on the draft individual inventory review report and, where appropriate, on whether it accepts or rejects the adjustment.

63. The expert review team shall prepare a final individual inventory review report within four weeks of the receipt of the comments on the draft report.

64. If a Party included in Annex I during the above steps is able to comment earlier than in the above given time-frames, the Party concerned may use the time saved to comment on the revised final report. A total of four additional weeks to comment may be granted to Parties included in Annex I whose national language is not one of the United Nations official languages.

Procedures for adjustments under Article 5, paragraph 2

65. Adjustments referred to in Article 5, paragraph 2, of the Kyoto Protocol shall be applied only when inventory data submitted by Parties included in Annex I are found to be incomplete and/or are prepared in a way that is not consistent with the IPCC Guidelines as elaborated by the IPCC good practice guidance and any good practice guidance adopted by the COP/MOP.

66. [With respect to inventory information on activities under Article 3, paragraphs 3 and 4, adjustments shall only be applied when such information is submitted for the purpose of accounting for the assigned amounts in accordance with the relevant modalities under Article 7, paragraph 4]

67. The procedure for the calculation of adjustments shall be as follows:

(a) During the individual inventory review, the expert review team shall identify problems to which the criteria in the guidance for adjustments under Article 5, paragraph 2, apply. The expert review team shall officially notify the Party included in Annex I of the reason why an adjustment is considered necessary and provide advice on how the problem could be corrected;

(b) The adjustment procedure should only commence after the Party included in Annex I has had opportunities to correct a problem and if the expert review team finds that the Party included in Annex I has not adequately corrected the problem through the provision of an acceptable revised estimate, in accordance with the time-frames set out in paragraphs 59 to 64 above;

(c) The expert review team shall calculate adjustments in accordance with any guidance under Article 5, paragraph 2, adopted by the COP/MOP, in consultation with the Party concerned and within the time-frame set out in these guidelines;[29]

(d) The expert review team shall officially notify the Party concerned of the calculated adjustment(s) within the time-frame set out in these guidelines. This notification shall describe the assumptions, data and methodologies used to calculate the adjustment(s), as well as the value of the adjustment(s);

(e) Within the time-frame set out in these guidelines, the Party concerned shall notify the secretariat of its intention to accept or reject the adjustment(s), with its rationale. Failure to respond by this date shall be considered as acceptance of the adjustment(s), as follows:

(i) If the Party concerned accepts the adjustment(s), the adjustment(s) shall be applied for the purpose of compilation and accounting of emissions inventories and assigned amounts;

(ii) If the Party concerned disagrees with the proposed adjustment(s), it should send a notification to the expert review team, including its rationale, and the expert review team should send the notification along with its recommendation in its final report to the COP/MOP and the Compliance Committee, which will resolve the disagreement in accordance with the procedures and mechanisms on compliance.

68. A Party included in Annex I may submit a revised estimate for a part of its inventory for a year of the commitment period to which an adjustment was previously applied, provided that the revised estimate is submitted, at the latest, in conjunction with the inventory for the year 2012.

69. Subject to a review under Article 8 and the acceptance of the revised estimate by the expert review team, the revised estimate shall replace the adjusted estimate. In the event of a disagreement between the Party included in Annex I and the expert review team regarding the revised estimate, the procedure set out in paragraph 67 (e) (ii) above shall be followed. The

---

[29] Special arrangements in the composition of the expert review teams may be needed for the case where an adjustment needs to be calculated. This may be addressed in the context of a possible decision on the institutional arrangements of the expert review teams (see draft COP decision on guidelines for review under Article 8 of the Kyoto Protocol, paragraph 3).

option for a Party included in Annex I to submit a revised estimate for a part of its inventory to which an adjustment was previously applied should not prevent Parties included in Annex I from making best efforts to correct the problem at the time it was initially identified and in accordance with the time-frame set forth in the guidelines for review under Article 8.

Reporting

70. The following specific elements shall be included in the reports referred to in paragraph 32 (a) and (b):

(a) A summary of the results of the inventory review, including a description of emission trends, key sources and methodologies and a general assessment of the inventory;

(b) Identification of any inventory problems according to the categories listed in paragraph 55 and a description of factors influencing the fulfilment of the inventory-related obligations of the Party included in Annex I ;

(c) Information on adjustments, if applicable, including, *inter alia*,

(i) The original estimate, if applicable;

(ii) The underlying problem;

(iii) The adjusted estimate;

(iv) The rationale for the adjustment;

(v) The assumptions, data and methodology used to calculate the adjustment;

(vi) A description of how the adjustment is conservative;

(vii) The expert review team's identification of possible ways for the Party included in Annex I to address the underlying problem;

(viii) The magnitude of the numerical values related to an adjusted problem as identified under paragraph 56 above;

(ix) Recurrence of adjustments as identified under paragraph 57 above;

(x) An indication whether the adjustment was agreed upon by the Party included in Annex I and the expert review team.

PART III: REVIEW OF INFORMATION ON ASSIGNED AMOUNTS[30]

A. Purpose

71. The purpose of the review of information on assigned amounts is to ensure that the COP/MOP and the Compliance Committee have adequate information on assigned amounts.

---

[30] For the purpose of this part, "assigned amounts" refers to the assigned amount pursuant to Article 3, paragraphs 7 and 8 and additions to, and subtractions from, such assigned amount in accordance with the modalities for the accounting of assigned amounts under Article 7, paragraph 4.

B. General procedures

72. The review of information on assigned amounts shall take place in conjunction with the annual inventory review.

73. The expert review team shall review the information on assigned amounts as a centralized desk exercise.

C. Scope of the review

74. The review of information on assigned amounts shall cover the calculation by each Party included in Annex I of its assigned amount pursuant to Article 3, paragraphs 7 and 8, and the information reported in accordance with section I.E, "Information on additions to and subtractions from assigned amounts", of the guidelines for the preparation of information under Article 7.

Identification of problems

75. The expert review team shall:

(a) Check whether information is complete and submitted in accordance with section I of the guidelines for the preparation of information required under Article 7, and relevant decisions of the COP and the COP/MOP;

(b) Check that the assigned amount pursuant to Article 3, paragraphs 7 and 8, is calculated in accordance with the modalities for the accounting of assigned amounts under Article 7, paragraph 4, is consistent with reviewed and adjusted inventory estimates, is consistent with information submitted in previous years and is issued into the national registry in conformity with the modalities for the accounting of assigned amounts under Article 7, paragraph 4;

(c) Check that additions and subtractions to assigned amounts pursuant to Article 3, paragraphs 3 and 4, are calculated in accordance with the modalities for the accounting of assigned amounts under Article 7, paragraph 4, are consistent with reviewed and adjusted inventory estimates and are issued and cancelled in national registries in conformity with the modalities for the accounting of assigned amounts under Article 7, paragraph 4;

(d) Cross-check the information on transfers and acquisitions, including for the purposes of cancelling and retiring, as well as on carry-overs to the subsequent commitment period, and highlight any discrepancies;

(e) Check that the required level of the commitment period reserve, as reported, is calculated in accordance with the provisions in section VI of the annex to decision 5/CP.6;

(f) Check that the required level of the commitment period reserve has not been infringed upon at any time.

D. Timing

76. During the review of the information on assigned amounts, the expert review team shall identify problems and notify the Party of them. The Party included in Annex I may correct the

problems or provide additional information within the time-frame set out in these guidelines (see paragraphs 58 to 64).

E. Reporting

77. The following specific elements shall be included in the reports referred to in paragraph 32 (a) and (b):

(a) Identification of problems according to the categories listed in paragraph 75.

(b) For each problem, a quantitative indication of the magnitude of the part of the assigned amount affected by the problem expressed as a percentage of the assigned amount pursuant to Article 3, paragraphs 7 and 8, calculated in accordance with the modalities for the accounting of assigned amounts under Article 7, paragraph 4.

PART IV: REVIEW OF NATIONAL SYSTEMS

A. Purpose

78. The purpose of the review of national systems is:

(a) To provide a thorough and comprehensive technical assessment of the capacity of a national system and the adequacy of its institutional, legal and procedural arrangements to produce an inventory of anthropogenic emissions by sources and removals by sinks in conformity with Article 5, paragraph 2;

(b) To assess the extent to which the guidelines for national systems under Article 5, paragraph 1, have been adhered to [, especially any mandatory elements], and to assist Parties included in Annex I in meeting their commitments under Article 5, paragraph 1;

(c) To provide the COP/MOP and the Compliance Committee with reliable information on national systems established under Article 5, paragraph 1;

B. General procedures

79. The review of national systems shall take place in two parts:

(a) A thorough review of the national system, as part of the review prior to the commitment period and its in-country visit;

(b) A desk review of any reported changes in the national system reported since the first thorough review, conducted in conjunction with the annual inventory review.

80. The review of national systems shall be conducted, as appropriate, through interviews with personnel involved in inventory planning, preparation and management, and through examination of relevant records and documentation, including use of the inventory CRF and preparation of the national inventory report.

81. Based on any findings during the individual inventory review and on findings related to reported changes in national systems considered by the expert review team to be potentially significant in relation to an identified problem in the inventory of the Party included in Annex I,

the expert review team may request an additional country visit to review the relevant components of the national system in conjunction with an in-country inventory review.

C. Scope of the review

In-country review

82. The expert review team shall conduct a thorough and comprehensive review of the national system of each Party included in Annex I. The review of national systems should cover:

(a) Activities undertaken by the Party included in Annex I to implement, and performance of, the general functions described in paragraph 10 of the guidelines for national systems,[31] and the specific functions related to inventory planning, preparation and management in accordance with paragraphs 12 to 17 of those guidelines;

(b) Reported and archived information on national systems in accordance with guidelines under Article 5, paragraph 1, and Article 7, including plans and internal documentation related to the functions mentioned in subparagraph (a) above.

Review of changes in national systems

83. Any significant changes in the functions of the national systems reported by Parties included in Annex I or identified by the expert review team during the in-country visit that may affect the preparation of greenhouse gas inventories in conformity with Article 5, paragraph 2, and the guidelines for national systems should be reviewed annually in conjunction with the annual inventory review. The scope of such a review shall follow the scope set out for the in-country review according to paragraph 82 above.

Identification of problems

84. The expert review team shall assess whether the Party included in Annex I has established and maintained the specific inventory planning components covered in paragraph 12 of the guidelines for national systems, on the basis of a review of the information provided on the national system under Article 7 and any additional information gathered.

85. The expert review team shall assess whether the Party included in Annex I has completed the inventory preparation components covered in paragraph 14 (a) and (d) of the guidelines for national systems, on the basis of the review of the information provided on the national system under Article 7 and any additional information gathered.

86. The expert review team shall assess whether the inventory preparation components covered in paragraph 14 (c), (e) and (g) of the guidelines for national systems are functioning adequately, on the basis of an assessment of the most recent annual inventory, its consistency with good practice, and any additional information gathered.

---

[31] The guidelines for national systems for the estimation of anthropogenic greenhouse gas emissions by sources and removals by sinks under Article 5, paragraph 1, of the Kyoto Protocol are referred to as "guidelines for national systems" in this document. The full text of those guidelines can be found in document FCCC/SBSTA/2000/5, annex I.

87. The expert review team shall assess whether the Party included in Annex I has archived inventory information according to the provisions of paragraphs 16 and 17 of the guidelines for national systems as part of its inventory management. The expert review team shall assess whether the archiving is functioning adequately on the basis of an assessment of:

(a) The completeness of archived information for a sample of source categories as chosen by the expert review teams, including key source categories, as defined in accordance with IPCC good practice guidelines;

(b) The ability of the Party included in Annex I to respond in a timely manner to requests for clarifying inventory information resulting from the different stages of the review process of the most recent inventory.

88. Based on the assessment carried out in accordance with paragraphs 84 to 87 above, expert review teams shall identify any potential problems in, and factors influencing, the fulfilment of commitments related to the functions of national systems according to paragraphs 10, 12, 14 and 16 of the guidelines for national systems. In addition, the expert review teams shall recommend how deficiencies of functions described in paragraphs 13, 15 and 17 of the guidelines for national systems could be improved. These provisions shall apply to both in-country reviews and reviews of changes in national systems.

D. Timing

Option 1 (paragraph 89)

89. The process of the in-country review shall follow the timetable for the review of the national communication of the Party included in Annex I defined in part VI of these guidelines. The process of review of changes in the national system shall follow the timetable for the review of annual inventories defined in part II of these guidelines. The preparation of the reports should also follow these respective timetables.

Option 2 (paragraphs 90 and 91)

90. During the process of in-country visits, the expert review team shall list all problems identified, and notify the Party included in Annex I no later than [six] weeks after the country visit of the problems identified. The Party included in Annex I shall comment on these problems within [six] weeks. The expert review team shall prepare a draft of a review report on the national system within [six] weeks of the receipt of the comments on the questions posed. Any corrections, additional information or comments on the draft report received from the Party included in Annex I within [four] weeks after the report has been sent to the Party included in Annex I shall be subject to review and shall be included in the final inventory review report. The expert review team shall prepare a final report on the review of the national system within [four] weeks of the receipt of the comments on the draft report. The review of national systems shall be concluded within one year of the date of submission of the information.

91. The process of reviewing changes in national systems shall follow the timetable for the review of annual inventories defined in part II of these guidelines. If either the annual inventory

review or the review of changes in national systems recommends an in-depth review of national systems, the inventory review process for national systems should be conducted together with the subsequent in-country review of either the annual inventory or the periodic national communication, whichever is earlier.

E. Reporting

92. The following specific elements shall be included in the reports referred to in paragraph 32 (a) and (b):

(a) An evaluation of the overall organization of the national system, including a discussion of the effectiveness and reliability of the institutional, procedural and legal arrangements for estimating greenhouse gas emissions;

(b) A technical assessment of the performance of each of the national system functions defined in paragraphs 10 to 17 of the guidelines for national systems, including an assessment of the system's strengths and weaknesses;

(c) Any recommendations by the review team for further improvement of the national system of the Party included in Annex I.

PART V: REVIEW OF NATIONAL REGISTRIES

A. Purpose

93. The purpose of the review of national registries is:

(a) To provide a thorough and comprehensive technical assessment of the capacity of a national registry;

(b) To assess the extent to which the registry requirements contained in the modalities for the accounting of assigned amounts under Article 7, paragraph 4, have been adhered to and to assist Parties included in Annex I in meeting their commitments;

(c) To provide the COP/MOP and the Compliance Committee with reliable information on national registries.

B. General procedures

94. The review of national registries shall take place in two parts:

(a) A thorough review of the national registry, as part of the review prior to the commitment period and its in-country visit;

(b) A desk review of any reported changes in the national registry reported since the first thorough review, conducted in conjunction with the annual inventory review.

C. Scope of the review

In-country review

95. The expert review team shall conduct a thorough and comprehensive review of the national registry of each Party included in Annex I. The review of the national registry should cover the extent to which the registry requirements contained in the modalities for the accounting of assigned amounts under to Article 7, paragraph 4, and the technical standards for the purpose of ensuring the accurate, transparent and efficient exchange of data between national registries, the clean development mechanism registry and the independent transaction log, agreed by the SBSTA, have been adhered to.

Review of changes in the national registry

96. Any significant changes in the national registry reported by Parties included in Annex I or identified by the expert review team during the in-country visit that may affect the performance of the registry should be reviewed annually in conjunction with the annual inventory review.

Identification of problems

97. *(This paragraph will be elaborated consistently with the modalities for the accounting of assigned amounts under Article 7, paragraph 4.)*

D. Timing

98. The process of the in-country review shall follow the timetable for the review of the national communication of the Party included in Annex I defined in part VI of these guidelines. The process of review of changes in the national system shall follow the timetable for the review of annual inventories defined in part II of these guidelines. The preparation of the reports should also follow these respective timetables.

E. Reporting

99. The reports referred to in paragraph 32 (a) and (b) shall include an evaluation of the overall functioning of the national registry.

[PART V (bis): REVIEW OF INFORMATION ON THE MINIMIZATION OF ADVERSE IMPACTS IN ACCORDANCE WITH ARTICLE 3, PARAGRAPH 14

A. Purpose

100. The purpose of the review of information of each Party included in Annex I in relation to Article 3, paragraph 14, is:

(a) To provide a thorough objective and comprehensive technical assessment of the information submitted on the implementation of Article 3, paragraph 14;

(b) To assess trends and the extent to which action has been implemented to minimize adverse impacts on developing countries in accordance to Article 3, paragraph 14, and taking into account any relevant decisions by the COP and COP/MOP;

(c) To assist Parties included in Annex I to improve their reporting of information under Article 3, paragraph 14;

(d) To ensure that the COP/MOP and the Compliance Committee have reliable information on the review of minimization of adverse impacts in accordance with Article 3, paragraph 14.

B. General procedures

101. The review of the information on the minimization of adverse impacts in accordance with Article 13, paragraph 14 shall take place in two parts:

(a) An annual desk review of additional information submitted by Parties included in Annex I, conducted in conjunction with the annual inventory review;

(b) A thorough and comprehensive review through in-country visits, conducted in conjunction with the review of national communications.

C. Scope of the review

Annual Review

102. The expert review team shall, *inter alia*:

(a) Check whether the Party included in Annex I submitted the supplementary information in accordance with paragraphs 13 and 14 of annex I to decision -/CMP.1 (*Guidelines for the preparation of the information under Article 7*), on the implementation of action relating to the minimization of adverse effects under Article 3, paragraph 14;

(b) For the first year that the Party included in Annex I provides the information mentioned in paragraph (a) above, conduct a desk review to assess whether each Party included in Annex I has submitted consistent, complete and timely information. For subsequent years, conduct a desk review to assess whether Parties included in Annex I have submitted information on any changes that have occurred, compared with the information reported in its last submission;

(c) Notify the Party concerned of any questions the team has regarding information on the implementation of actions relating to minimization of adverse effects under Article 3, paragraph 14 and relevant decisions of the COP and COP/MOP;

(d) Assess the extent to which issues and questions raised by previous reports have been addressed and resolved;

(e) Recommend possible ways to improve the reporting of information, including possible recommendations to the workshop on reporting methodologies mentioned in decision -/CP.7 (*Matters related to Article 3, paragraph 14*).

In-country visit

103. Each Party included in Annex I shall be subject to at least one in-country visit by an expert review team during the commitment period as part of its annual review.

104. The in-country review shall provide a detailed examination of supplementary information incorporated in the annual inventory, in accordance with paragraphs 13 and 14 of annex I to decision -/CMP.1 (*Guidelines for the preparation of the information under Article 7*) compiled by the secretariat and reviewed in paragraph 103 above for all years since the initial review.

105. Based on the assessment carried out in accordance with paragraphs 102 and 103 above, expert review teams shall identify any potential problems in, and factors influencing, the fulfilment of commitments under Article 3, paragraph 14, and relevant decisions of the COP and COP/MOP.

Identification of problems

106. The problems identified during the assessment related to the supplementary information reported in accordance with paragraphs 13 and 14 of annex I to decision -/CMP.1 (*Guidelines for the preparation of the information under Article 7*) shall be identified as relating to:

(a) Transparency;

(b) Completeness;

(c) Timeliness.

107. Failure to submit supplementary information reported in accordance with paragraphs 13 and 14 of annex I to decision -/CMP.1 (*Guidelines for the preparation of the information under Article 7*) shall be considered as a potential problem.

D. Timing

108. The process of the in-country review shall follow the timetable for the review of the national communication of the Party included in Annex I defined in part VI of these guidelines. The annual review process shall follow the timetable for the review of annual inventories defined in part II of these guidelines. The preparation of the reports should also follow these respective timetables.

E. Reporting

109. The following specific elements shall be included in the report referred to in paragraph 32 (a) and (b):

(a) A technical assessment of the elements specified in paragraph 102 and 104 above;

(b) An identification of problems in accordance with paragraphs 106 and 107;

(c) Any recommendations by the review team for further improvement of reporting by a Party included in Annex I.]

[PART V (ter): REVIEW OF INFORMATION ON SUPPLEMENTARITY PURSUANT TO ARTICLE 17

A. Purpose

B. General procedures

C. Scope of the review

D. Timing

E. Reporting]

[PART V (qtr): REVIEW OF OBLIGATIONS UNDER ARTICLE 10 AND ARTICLE 11

A. Purpose

B. General procedures

C. Scope of the review

D. Timing

E. Reporting]

PART VI: REVIEW OF NATIONAL COMMUNICATIONS AND INFORMATION ON OTHER COMMITMENTS UNDER THE KYOTO PROTOCOL

A. Purpose

110. The purpose of the guidelines on the review of national communications of Parties included in Annex I, including information reported under Article 7, paragraph 2, is:

(a) To provide a thorough and comprehensive technical assessment of national communications and information reported under Article 7, paragraph 2 of the Kyoto Protocol;

(b) To examine in an objective and transparent manner whether quantitative and qualitative information was submitted by Parties included in Annex I in accordance with section II of the guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol;

(c) To promote consistency in the review of the information contained in the national communications of Parties included in Annex I, including information reported under Article 7, paragraph 2;

(d) To assist Parties included in Annex I to improve reporting of information under Article 7, paragraph 2 and the implementation of their commitments under the Protocol;

(e) To ensure that the COP/MOP and the Compliance Committee have reliable information on the implementation of commitments under the Kyoto Protocol by each Party included in Annex I.

B. General procedures

111. Supplementary information under Article 7, paragraph 2, shall be incorporated into the national communications and shall be reviewed as part of the review of the communications. [Such review shall also include the supplementary information incorporated in the annual inventory of the Party concerned relating to minimization of adverse effects under Article 3, paragraph 14, submitted in accordance with section I of the guideline for the preparation of the information under Article 7 and compiled annually by the secretariat.] Each national communication submitted under the Kyoto Protocol by a Party included in Annex I shall be subject to a scheduled in-country periodic review.

112. Prior to the in-country visit, the expert review team shall conduct a desk review of the national communication of the Party included in Annex I. The review team shall notify the Party concerned of any questions the team has regarding the national communication and of any focal areas for the in-country visit.

C. Scope of the review

113. The review of the national communication shall also cover supplementary information reported under Article 7, paragraph 2.

114. The individual review shall:

(a) Provide an assessment of the completeness of the national communication, including supplementary information reported under Article 7, paragraph 2, in accordance with the reporting requirements under Article 7, paragraph 2, and an indication of whether it was submitted on time;

(b) Provide a detailed examination of each part of the national communication, as well as procedures and methodologies used in the preparation of the information, such as: [32]

(i) National circumstances relevant to greenhouse gas emissions and removals;

(ii) Policies and measures;

(iii) Projections and the total effect of policies and measures;

(iv) Vulnerability assessment, climate change impacts and adaptation measures;

(v) Financial resources and transfer of technology;

(vi) Research and systematic observation;[33]

---

[32] Headings of the national communication according to the UNFCCC reporting guidelines on national communications with the exception of "greenhouse gas inventory information" (see document FCCC/CP/1999/7).

(vii) Education, training and public awareness;

(c) Provide a detailed examination of supplementary information provided under Article 7, paragraph 2: [34]

(i) Mechanisms pursuant to Articles 6, 12 and 17;

(ii) Supplementarity relating to the mechanisms pursuant to Articles 6, 12 and 17;

(iii) [Joint fulfilment of commitments in accordance with Article 4;]

(iv) Policies and measures in accordance with Article 2;

(v) Domestic and regional programmes and/or legislative arrangements and enforcement and administrative procedures;

(vi) Information under Article 10;

(vii) Financial resources;

(d) [Provide a detailed examination of supplementary information incorporated in the annual inventory in accordance with section I of the guidelines for the preparation of the information under Article 7, relating to minimization of adverse effects under Article 3, paragraph 14, compiled by the secretariat for all years since the review of the preceding national communication;]

(e) Identify any potential problems in and factors influencing, the fulfilment of commitments related to each part of the national communication and to the reporting of supplementary information under Article 7, paragraph 2.

115. All common elements in paragraph 114 (b) and (c) above are to be reviewed in conjunction.

Identification of problems

116. The problems identified during the assessment related to individual sections of the national communication, including supplementary information reported under Article 7, paragraph 2, shall be identified as relating to:

(a) Transparency;

(b) Completeness;

(c) Timeliness.

---

[33] Information provided under this heading includes a summary of the information provided on global climate observation systems.

[34] Headings of the guidelines for the preparation of the information required under Article 7, section II, with the exception of "National registries" and "National systems in accordance with Article 5, paragraph 1", which are covered in parts IV and V off these guidelines.

117. Failure to submit any section of the national communication shall be considered as a potential problem.

D. Timing

118. If a Party included in Annex I expects difficulties with the timeliness of its national communication submission, it should inform the secretariat before the due date of the submission. If the national communication is not submitted within six weeks after the due date, the delay shall be brought to the attention of the COP/MOP+ and the Compliance Committee and made public.

119. The expert review teams shall make every effort to complete the individual review of national communications within two years of the national communication submission for each Party included in Annex I.

120. If additional information is requested during the in-country visit, it should be provided by the Party included in Annex I within six weeks after the visit.

121. The expert review team for each Party included in Annex I shall, under its collective responsibility, produce a draft of the national communication review report following the format below to be finalized within eight weeks after the in-country visit.

122. The draft of each national communication review report will be sent to the Party included in Annex I subject to review for comment. The Party concerned shall be provided with four weeks of receipt of the draft report to provide comments on it.

123. The expert review team shall produce the finalized national communication review report taking into account the comments of the Party included in Annex I within four weeks of receipt of the comments.

E. Reporting

124. The following specific elements shall be included in the report referred to in paragraph 32 (c):

(a) A technical assessment of the elements specified in paragraph 114 (b) and (c);

(b) An identification of problems in accordance with paragraphs 116 and 117.

125. The secretariat shall produce a report on the compilation and synthesis of national communications for all Parties included in Annex I in accordance with the decisions of the COP/MOP.

- - - - -